ಕರ್ನಾಟಕ ವಿಧಾನ ಪರಿಷತ್ತು

ಚುಕ್ಕೆ ಗುರುತಿನ ಪ್ರಶ್ನೆ ಸಂಖ್ಯೆ : 689
ಸದಸ್ಯರ ಹೆಸರು : ಶ್ರೀ.ಕೆ. ಪ್ರತಾಪಚಂದ್ರ ಶೆಟ್ಟಿ (ಸ್ಥಳೀಯ ಸಂಸ್ಥೆಗಳ ಕ್ಷೇತ್ರ)
ಉತ್ತರಿಸಬೇಕಾದ ದಿನಾಂಕ : 04.03.2021
ಉತ್ತರಿಸುವ ಸಚಿವರು : ಮಾನ್ಯ ಮುಖ್ಯಮಂತ್ರಿಗಳು

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	ಪ್ರಶ್ನೆ	ಉತ್ತರ
ಅ)	ಕರ್ನಾಟಕ ಸರ್ಕಾರದ ಇಂಧನ ಇಲಾಖೆಯ ಅಧೀನದ ವಿವಿಧ ವಿದ್ಯುತ್ ವಿತರಣಾ ಕಂಪನಿಗಳನ್ನು ಖಾಸಗೀಕರಣಗೊಳಿಸುವ ಸಂಬಂಧ ಕೇಂದ್ರ ಸರ್ಕಾರವು ಕರಡು ನಿಯಮಾವಳಿಯನ್ನು ರೂಪಿಸಿರುವುದು ಸರ್ಕಾರದ ಗಮನಕ್ಕೆ ಬಂದಿದೆಯೇ ಹೌದಾದಲ್ಲಿ ಕರಡು ಪ್ರತಿಯನ್ನು ಒದಗಿಸುವುದು;	ಹೌದು. ಕೇಂದ್ರ ಸರ್ಕಾರವು, ವಿದ್ಯುಚ್ಛಕ್ತಿ ಕಾಯ್ದೆ 2003 (Electricity Act, 2003) ರ ಹಲವು ಅಂಶಗಳಿಗೆ ತಿದ್ದುಪಡಿ ಮಾಡುವ ಸಂಬಂಧ, Proposed Amendment to Electricity Act, 2003 ದಿನಾಂಕ 17.4.2020, Proposed Amendment to Electricity Act, 2003 ದಿನಾಂಕ 5.2.2021 ಹಾಗೂ Draft Standard Bidding Documents (SBD) ದಿನಾಂಕ 20.9.2020 ಗಳನ್ನು ರೂಪಿಸಿ, ಎಲ್ಲಾ ರಾಜ್ಯ ಸರ್ಕಾರಗಳ ಅಭಿಪ್ರಾಯ ಹಾಗೂ ಸಲಹೆಗಳನ್ನು ಪಡೆಯುತ್ತಿರುತ್ತದೆ. ಕೇಂದ್ರ ಸರ್ಕಾರದ ವಿದ್ಯುಚ್ಛಕ್ತಿ ಕಾಯ್ದೆ 2003 ರ ತಿದ್ದುಪಡಿ ಪತ್ರಗಳು, ದಿನಾಂಕ 17.4.2020, ದಿನಾಂಕ 5.2.2021 ಹಾಗೂ SBD ದಿನಾಂಕ 20.9.2020 ರ **ಪ್ರತಿಯನ್ನು ಕ್ರಮವಾಗಿ ಅನುಬಂಧ-1, ಅನುಬಂಧ-2 ರಲ್ಲಿ ಲಗತ್ತಿಸಲಾಗಿದೆ ಮತ್ತು** SBD ದಾಖಲೆಯು ಕೇಂದ್ರ ಸರ್ಕಾರದ ಜಾಲತಾಣದ ಕೆಳಕಂಡ Link ನಲ್ಲಿ ಲಭ್ಯವಿರುತ್ತದೆ. (https://powermin.nic.in/sites/default/files/webform/notices/20200922_Draft_SBD_for_privatisation_of_Distribution_Licensees.pdf)
ಆ)	ಈ ಖಾಸಗೀಕರಣವನ್ನು ವಿರೋಧಿಸಿ ಇಲಾಖೆಯ ನೌಕರರ ಸಂಘಟನೆಗಳು ಮತ್ತು ಸಂಘ ಸಂಸ್ಥೆಗಳು ವಿರೋಧಿಸುತ್ತಿರುವುದು ಸರ್ಕಾರದ ಗಮನಕ್ಕೆ ಬಂದಿದೆಯೇ; ಈ ಸಂಘಟನೆಗಳು ಆಕ್ಷೇಪಿಸಿದ ಕಾರಣಗಳು ಯಾವುವು; (ಸಂಪೂರ್ಣ ಮಾಹಿತಿ ನೀಡುವುದು)	ಖಾಸಗೀಕರಣವನ್ನು ವಿರೋಧಿಸಿ, Federation of Karnataka Electricity Board Employees Union and Association ರವರು ದಿನಾಂಕ 28.5.2020 ಮತ್ತು ಕರ್ನಾಟಕ ವಿದ್ಯುತ್ ಪ್ರಸರಣ ನಿಗಮ ನೌಕರರ ಸಂಘ (ರಿ. ನಂ.659), ಪ್ರಾಥಮಿಕ ಸಮಿತಿ, ಚನ್ನಗಿರಿ ರವರು ದಿನಾಂಕ 5.10.2020 ರಂದು ಸರ್ಕಾರಕ್ಕೆ ಮನವಿ ಸಲ್ಲಿಸಿರುತ್ತಾರೆ. **ಪ್ರತಿಯನ್ನು ಕ್ರಮವಾಗಿ ಅನುಬಂಧ-3 ಮತ್ತು ಅನುಬಂಧ-4 ರಲ್ಲಿ ಲಗತ್ತಿಸಲಾಗಿದೆ.** ಸದರಿ ಮನವಿಗಳಲ್ಲಿ ವಿದ್ಯುಚ್ಛಕ್ತಿಯು Concurrent ವಿಷಯವಾಗಿದ್ದು, ಕೇಂದ್ರ ಸರ್ಕಾರವು ಏಕ ಪಕ್ಷೀಯವಾಗಿ ನಿರ್ಧಾರಗಳನ್ನು ತೆಗೆದುಕೊಳ್ಳುವುದು ಸಾಧುವಾಗಿಲ್ಲದೆ ಕೆಳಕಂಡ ತಿದ್ದುಪಡಿಗಳು ರಾಜ್ಯ ಸರ್ಕಾರದ ಅಧಿಕಾರ ವ್ಯಾಪ್ತಿ ಮತ್ತು ಹಕ್ಕುಗಳನ್ನು ಕಸಿದುಕೊಳ್ಳುತ್ತಿದೆ ಎಂದು ನೌಕರರ ಮತ್ತು ಅಧಿಕಾರಿಗಳ ಸಂಘದವರು ಆಕ್ಷೇಪಿಸಿರುತ್ತಾರೆ :

		1. ವಿತರಣೆ ಉಪ ಪರವಾನಗಿದಾರರು ಮತ್ತು ಫ್ರಾಂಚೈಸೀ (Distribution Sub licensee and Franchisee). 2. ವಿದ್ಯುತ್ ಗುತ್ತಿಗೆಗಳ ಜಾರಿ ಪ್ರಾಧಿಕಾರದ ಸ್ಥಾಪನೆ. (Establishment of Electricity Contract Enforcement Authority). 3. ಸಹಾಯಧನವಿಲ್ಲದ ಸ್ವತಂತ್ರ ಜಕಾತಿ (Tariff to be independent of Subsidy). 4. ರಾಜ್ಯ ಆಯ್ಕೆ ಸಮಿತಿಗಳನ್ನು ಕೇಂದ್ರೀಕೃತ ಆಯ್ಕೆ ಸಮಿತಿಗಳಿಂದ ಬದಲಾಯಿಸುವುದು (Replacing the State Selection commission by Central Selection commission). 5. ರಕ್ಷಿತ ಪಾವತಿ ಭದ್ರತಾ ಕಾರ್ಯವಿಧಾನ ಸ್ಥಾಪನೆ (Payment Security Mechanism). 6. ಸರ್ಕಾರಿ ಸ್ವಾಮ್ಯದ ವಿದ್ಯುತ್ ಕ್ಷೇತ್ರದಲ್ಲಿ ಕೆಲಸ ಮಾಡುವ ನೌಕರರಿಗೆ ಯಾವುದೇ ಭದ್ರತೆ ಇಲ್ಲದಿರುವುದು (No Security for the employees working in the State owned power sector).
ಇ)	ಈ ಖಾಸಗೀಕರಣದ ಕುರಿತು ಕೇಂದ್ರ ಸರ್ಕಾರಕ್ಕೆ ಇಲಾಖೆಯಿಂದ ಅಭಿಪ್ರಾಯ ಸಲ್ಲಿಸಿ ಪತ್ರವನ್ನು ಸಲ್ಲಿಸಲಾಗಿದೆಯೇ (ಪ್ರತಿಯನ್ನು ಸಲ್ಲಿಸುವುದು) ಇಲ್ಲವಾದಲ್ಲಿ ಕಾರಣವೇನು;	ಹೌದು. Draft Electricity Amendment Bill, 2020 ಮತ್ತು Draft Standard Bidding Documents ಗಳಿಗೆ ಸಂಬಂಧಿಸಿದಂತೆ ಕೇಂದ್ರ ಸರ್ಕಾರಕ್ಕೆ, ರಾಜ್ಯ ಸರ್ಕಾರದಿಂದ ದಿನಾಂಕ 5.6.2020, 4.7.2020 ಮತ್ತು 13.10.2020 ರಂದು ಅಭಿಪ್ರಾಯ ಮತ್ತು ಸಲಹೆಗಳೊಂದಿಗೆ ಉತ್ತರಿಸಲಾಗಿದೆ. ಪತ್ರಗಳ **ಪ್ರತಿಯನ್ನು ಕ್ರಮವಾಗಿ ಅನುಬಂಧ – 5(ಅ) & 5(ಆ), 6 ಮತ್ತು 7** ರಲ್ಲಿ ಲಗತ್ತಿಸಲಾಗಿದೆ.
ಈ)	ಖಾಸಗೀಕರಣದಿಂದ ಬಡಕುಟುಂಬಗಳಿಗೆ ಭಾಗ್ಯ ಜ್ಯೋತಿ, ಕುಟೀರ ಜ್ಯೋತಿ, ರೈತರ ಕೃಷಿ ಪಂಪುಗಳಿಗೆ ಉಚಿತ ವಿದ್ಯುತ್ ಕಲ್ಪಿಸುವಿಕೆಯನ್ನು ಮುಂದುವರಿಕೆ ಖಾತ್ರಿ ಪಡಿಸಲು ಸರ್ಕಾರದ ಕ್ರಮವೇನು?	ಭಾಗ್ಯ ಜ್ಯೋತಿ, ಕುಟೀರ ಜ್ಯೋತಿ ಮತ್ತು ರೈತರ ಕೃಷಿ ಪಂಪ್ ಸೆಟ್ ಗಳಿಗೆ ಉಚಿತ ವಿದ್ಯುತ್ ಕಲ್ಪಿಸುವಿಕೆ ಬಗ್ಗೆ ಕೇಂದ್ರ ಸರ್ಕಾರವೂ ಸಹ ಸ್ಪಷ್ಟೀಕರಣ ನೀಡಿದ್ದು, ಉಚಿತ ವಿದ್ಯುತ್ ಸರಬರಾಜಿನ ವ್ಯವಸ್ಥೆಯನ್ನು ಯಾವುದೇ ಕಾರಣಕ್ಕೂ ಸ್ಥಗಿತಗೊಳಿಸಲಾಗುವುದಿಲ್ಲವೆಂದು ತಿಳಿಸಿರುತ್ತದೆ. ಹಾಗೂ ಕಾಲಕಾಲಕ್ಕೆ ಸರ್ಕಾರದಿಂದ ವಿಸಕಂಗಳಿಗೆ ಸಹಾಯಧನದ ಬಿಡುಗಡೆ ಮಾಡಲು Direct Benefit Transfer (DBT) ಸಹಾಯವಾಗಲಿದೆಯೆಂದು ದಿನಾಂಕ 25.6.2020 ರ ಪತ್ರದಲ್ಲಿ ಕೇಂದ್ರ ಸರ್ಕಾರವು ತಿಳಿಸಿರುತ್ತದೆ. **(ಅನುಬಂಧ-8)** ಆದರೆ ಕೃಷಿಪಂಪ್ ಸೆಟ್ ಸ್ಥಾವರಗಳಿಗೆ ವಿದ್ಯುತ್ ಮಾಪಕ ಅಳವಡಿಸಲು ರೈತರು ವಿರೋಧಿಸುವುದರಿಂದ ಪ್ರಸ್ತುತ DBT ಅನುಷ್ಠಾನ ಕಷ್ಟವಾಗಲಿದೆಯೆಂದು ಕೇಂದ್ರ ಸರ್ಕಾರಕ್ಕೆ ತಿಳಿಸಿ, ರಾಜ್ಯ ಸರ್ಕಾರದ ಅಭಿಪ್ರಾಯವನ್ನು ಪರಿಗಣಿಸುವಂತೆ ಅನುಬಂಧ-7 ರ ದಿನಾಂಕ 13.10.2020 ರ ಪತ್ರದಲ್ಲಿ ಕೋರಲಾಗಿದೆ.

ಸಂಖ್ಯೆ: ಎನರ್ಜಿ 50 ಇಬಿಎಸ್ 2021

(ಬಿ.ಎಸ್.ಯಡಿಯೂರಪ್ಪ)

ಮುಖ್ಯಮಂತ್ರಿ

Annexure-1

No. 42/6/2011-R&R (Vol-VIII)
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg
New Delhi, 17th April 2020

To

1. Chairperson, Central Electricity Authority, New Delhi
2. Principal Secretary/Secretary (Energy), All State Governments/UTs
3. Registrar, Appellate Tribunal for Electricity, New Delhi.
4. Secretary, Central Electricity Regulatory Commission, New Delhi.
5. Secretaries, All SERCs/JERCs
6. Chairman/CMDs for all PSUs under administrative control of Ministry of Power
7. CMDs/MDs of DISCOMs/GENCOs/TRANSCOs of all State Governments
8. DG, Association of Power Producers, New Delhi.
9. President, FICCI, Federation House, Tansen Marg, New Delhi
10. Head, Prayas (Energy Group), Pune.

Subject: Proposed amendment to Electricity Act, 2003 – regarding.

Sir/Madam,

I am directed to say that a draft Bill on the proposed Amendments to Electricity Act has been prepared.

2. The draft Electricity (Amendment) Bill, 2020 along with Statement of Reasons (SOR) are enclosed herewith with the request to provide your comments, if any, to this Ministry within 21 days from the date of this letter. The comments may also be emailed at **sandeep.naik68@gov.in and debranjan.chattopadhyay@nic.in**

Yours faithfully

Encl: As above

(Ghanshyam Prasad)
Chief Engineer (RR & OM)
Tele No. 2371 0389

Copy to
i) All Joint Secretaries/Economic Adviser, Ministry of Power
ii) PS to Hon'ble Minister, Sr. PPS to Secretary (Power), PPS to AS(R&R), Sr. PPS to Chief Engineer(R&R), PS to Director (R&R)
iii) Incharge, NIC, Ministry of Power with the request to upload this document on the website of Ministry of Power under heading 'Current Notices'

No. 42/6/2011-R&R (Vol-VIII)
Government of India
Ministry of Power
***

Shram Shakti Bhawan, Rafi Marg
New Delhi, 27th April 2020

To

1. Chairperson, Central Electricity Authority, New Delhi
2. Principal Secretary/Secretary (Energy), All State Governments/UTs
3. Registrar, Appellate Tribunal for Electricity, New Delhi.
4. Secretary, Central Electricity Regulatory Commission, New Delhi.
5. Secretaries, All SERCs/JERCs.
6. Chairman/CMDs for all PSUs under administrative control of Ministry of Power
7. CMDs/MDs of DISCOMs/GENCOs/TRANSCOs of all State Governments
8. DG. Association of Power Producers, New Delhi.
9. President. FICCI, Federation House, Tansen Marg. New Delhi.
10. Head, Prayas (Energy Group), Pune.

Subject: Proposed amendment to Electricity Act, 2003 – regarding.

Sir/Madam,

I am directed to refer to this Ministry's letter of even number dated 17.4.2020 seeking comments of stakeholders on the draft Electricity (Amendment) Bill 2020 It was requested to submit comments within 21 days i.e. by 8th May. 2020

2 This Ministry have received requests from various stakeholders for extension of time for submission of comments on the draft Amendments. Accordingly it has been decided to **extend the time period for submission of comments/ observations/ suggestions on the draft Electricity (Amendment) Bill 2020 to this Ministry till 5th June, 2020.**

3. This issues with the approval of the competent authority

Yours faithfully

Encl: As above

(Ghanshyam Prasad)
Chief Engineer (RR &OM)
Tele No 2371 0389

Copy to.
i) All Joint Secretaries/Economic Adviser, Ministry of Power
ii) PS to Hon'ble Minister, Sr. PPS to Secretary (Power), PPS to AS(R&R), Sr. PPS to Chief Engineer(R&R), PS to Director (R&R)
iii) Incharge, NIC. Ministry of Power with the request to upload this document on the website of Ministry of Power under heading 'Current Notices'

THE ELECTRICITY (AMENDMENT) BILL, 2020

A Bill further to amend the Electricity Act, 2003

Be it enacted by Parliament in the Seventy Oneth Year of the Republic of India as follows:—

Short title and commencement

1. (1) This Act may be called the Electricity (Amendment) Act, 2020

(2) It shall come into force on such date, as the Central Government may, by notification in the Official Gazette, appoint and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

Amendment of Section 1

2. In sub-section (2) of section 1 of the Electricity Act, 2003 (hereinafter referred as "the principal Act"), the words "except the State of Jammu and Kashmir" shall be omitted.

Amendment of Section 2

3. In section 2 of the principal Act, -

(i) in clause (11), after the words "or Appropriate Commission" and before the words "or the Appellate Tribunal", the words "or Electricity Contract Enforcement Authority" shall be inserted;

(ii) after clause (15), the following new clause shall be inserted, namely:—

"(15a) "Cross border trade of electricity" means transactions involving import or export of electricity between India and any other country and includes transactions related to passage of electricity through our country in transit between two other countries;";

(iii)after clause (17), the following clause shall be inserted, namely.-

"(17a) "Distribution sub-licensee" means a person recognized as such and authorized by the distribution licensee to distribute electricity on its behalf in a particular area within its area of supply, with the permission of the appropriate State Commission Any reference to a distribution licensee under the Act shall include a reference to a sub-distribution licensee;"

(iv) after clause (24), the following clause shall be inserted, namely.—

"(24a)"Electricity Contract Enforcement Authority" means an Electricity Contract Enforcement Authority referred to in sub-section (1) of section 109A;";

(v) for clause (27), the following clause shall be substituted, namely.-

"(27) "franchisee means a person recognized as such and authorized by a distribution licensee to distribute electricity on its behalf in a particular area within his area of supply, under information to the appropriate State Commission. Subject to the provisions of the

agreement entered into between the distribution licensee and the franchisee, any reference to a distribution licensee in the Act shall include a franchisee;";

(vi) for clause (43), the following shall be substituted, namely:-

"(43) "Member" means the Member of the Appropriate Commission or Authority or Joint Commission, or Electricity Contract Enforcement Authority or the Appellate Tribunal, as the case may be, and includes the Chairperson of such Commission or Electricity Contract Enforcement Authority or Authority or Appellate Tribunal;".

Amendment of Section 3

4. After section 3 of the principal Act, the following section shall be inserted, namely:-

"**3A National Renewable Energy Policy** - The Central Government may, from time to time, after such consultation with the State Governments, as may be considered necessary, prepare and notify a National Renewable Energy Policy for the promotion of generation of electricity from renewable sources of energy and prescribe a minimum percentage of purchase of electricity from renewable and hydro sources of energy.".

Amendment of Section 14

5. In section to section 14 of the principal Act, -

i) for the seventh proviso, the following proviso shall be substituted, namely:-

"Provided also that a franchisee shall not be required to obtain any separate license from the appropriate State Commission and such distribution licensee shall continue to remain responsible for distribution of electricity in its area of supply:";

ii) After the seventh proviso, the following proviso shall be inserted, namely:-

"Provided also that a distribution sub-licensee shall not be required to obtain any separate license from the appropriate State Commission:".

Amendment of Section 26

6. In section 26 of the principal Act, after sub-section (3), the following sub-sections shall be inserted, namely:-

"(4) the National Load Despatch Centre shall

(a) be responsible for optimum scheduling and despatch of electricity in the country across different regions in accordance with the contracts entered into with the licensees or the generating companies;

(b) monitor grid operations;

(c) exercise supervision and control over the inter-regional and inter-state transmission network; and

(d) have overall authority for carrying out real time operations of the national grid.

(5) The National Load Despatch Centre may give such directions and exercise such supervision and control as may be required for the safety and security of the national grid and for ensuring the stability of grid operation throughout the country

(6) Every Regional Load Despatch Centre, State Load Despatch Centre, licensee, generating company, generating station, sub-station and any other person connected with the operation of the power system shall comply with the directions issued by the National Load Despatch Centre."

Amendment of Section 28

7. In section 28 of the principal Act, the following proviso shall be inserted in clause (a) of sub-section (3), namely:-

"Provided that no electricity shall be scheduled or despatched under such contract unless adequate security of payment, as agreed upon by the parties to the contract, has been provided.".

Amendment of Section 32

8. In section 32 of the principal Act, the following proviso shall be inserted in clause (a) of sub-section (2), namely:-

"Provided that no electricity shall be scheduled or despatched under such contract unless adequate security of payment, as agreed upon by the parties to the contract, has been provided.".

Amendment of Section 38

9. In section 38 of the principal Act, for sub-clause (ii) of clause (d) of sub-section (2) including the provisos, the following shall be substituted, namely:-

"(ii) any consumer as and when such open access is provided by the State Commission under sub-section (2) of section 42, on payment of the transmission charges, as may be specified by the Central Commission and a surcharge, as may be specified by the State Commission under sub-section (2) of section 42, if required by the Appropriate Commission to be collected by it".

Amendment of Section 39

10. In section 39 of the principal Act, for sub-clause (ii) of clause (d) of sub-section (2) including the provisos, the following shall be substituted, namely:-

"(ii) any consumer as and when such open access is provided by the State Commission under sub-section (2) of section 42, on payment of the transmission charges, as may be specified by the State Commission and a surcharge, as may be specified by the State Commission under sub-section (2) of section 42, if required by the State Commission to be collected by it.".

Amendment of Section 40

11. In section 40 of the principal Act, for sub-clause (ii) of clause (d) of sub-section (2) including the provisos, the following shall be substituted, namely:-

"(ii) any consumer as and when such open access is provided by the State Commission under sub-section (2) of section 42, on payment of the transmission charges and a surcharge, as may be specified by the Appropriate Commission.".

Amendment of Section 42

12. In section 42 of the principal Act,

i) for the first proviso to sub-section (2), the following shall be substituted, namely:-

"Provided that such open access shall be allowed on payment of a surcharge, and charges for wheeling, as may be determined by the State Commission in addition to the charges for intra-state transmission, as determined under section 39, if applicable, and charges for inter-state transmission, as determined by the Central Commission under section 38, if applicable:";

ii) for the third proviso to sub-section (2), the following shall be substituted, namely:-

"Provided also that such surcharge and cross subsidies shall be progressively reduced by the State Commission in the manner as may be provided in the Tariff Policy:";

iii) after the fourth proviso to sub-section (2), the following proviso shall be inserted, namely:-

"Provided also that the manner of payment and utilization of the surcharge shall also be specified by the State Commission:".

Amendment of Section 49

13. For section 49 of the principal Act, the following shall be substituted, namely:-

"49. Agreement with respect to supply or purchase or transmission of electricity).-(1)A generating company or a licensee may enter into an agreement with a licensee for supply, purchase or transmission of electricity on such terms and conditions, as may be agreed upon by them, including tariff and adequate security of payment consistent with the provisions of this Act.

(2) Where the Appropriate Commission has allowed open access to certain consumers under section 42, such consumers, notwithstanding the provisions contained in clause (d) of sub-section (1) of section 62, may enter into an agreement with any person for supply or purchase of electricity on such terms and conditions (including tariff) as may be agreed upon by them.".

14. After section 49 of the principal Act, the following section shall be inserted, namely:-

Amendment of Section 49

"49A. Cross Border Trade of Electricity - (1) The Central Government may prescribe rules and issue guidelines for allowing and facilitating cross border trade of electricity in accordance with the provisions of this Act.

(2) The Central Government may require the Central Commission to make regulations for cross border trade of electricity.".

15. In section 61 of the principal Act-

Amendment of Section 61

i) in clause (g), the word "progressively" shall be omitted and for the words "specified by the Appropriate Commission" the words "as provided in the Tariff Policy" shall be substituted;

ii) in clause (h), after the words "from renewable" and before the words "sources of energy", the words "and hydro" shall be inserted.

iii) In clause (i) , after the words " tariff policy", the words "and National Renewable Energy Policy" shall be inserted.

Amendment of Section 62

16. In section 62 of the principal Act-

i) in sub-section (1) after clause (d), the following proviso shall be inserted before the existing provisions, namely:-

"Provided that the Appropriate Commission shall fix tariff for retail sale of electricity without accounting for subsidy, which, if any, under section 65 of the Act, shall be provided by the government directly to the consumer;";

(i) in sub-section (1), after the word "Provided" in the existing proviso, the word "further" shall be inserted;

(ii) in sub-section (3), after the words "but may", the words ",subject to provisions of the Tariff Policy," shall be inserted.

Amendment of Section 63

17. Section 63 of the principal Act shall be numbered as sub-section (1) thereof and after sub-section (1) as so numbered, the following sub-section shall be inserted, namely:-

"(2) The Appropriate Commission shall, after receipt of application complete in all respects, adopt the tariff so determined under sub-section (1), in a timely manner but not later than sixty days from the date of application.

Provided that on expiry of sixty days from the date of application, if it is not decided by the Appropriate Commission, the tariff shall be deemed to have been adopted by the Appropriate Commission.".

Amendment of Section 65

18. In section 65 of the principal Act-

i) for the words "and in such manner as may be specified, the amount to compensate the person affected by the grant of subsidy in the manner the State Commission may direct, as a condition for the licence or any other person concerned to implement the subsidy provided for by the State Government:", the words "the amount of subsidy directly to the consumer and the licensee shall charge the consumers as per the tariff determined by the Commission." shall be substituted;

ii) proviso to section 65 shall be omitted.

Amendment of Section 77

19. In section 77 of the principal Act –

i) In sub-section (1), after the words "commerce, finance" and before the words "or, management and", the words ", public policy" shall be inserted;

ii) In clause (b) of sub-section (1), for the word "finance", the word "law" shall be substituted;

iii) In clause (c) of sub-section (1), after the words "field of", the word "finance," shall be inserted and for the word "law",the words ", public policy" shall be substituted;

iv) sub-section (2) shall be omitted.

Amendment of Section 78

20. Section 78 of the principal Act shall be substituted by the following, namely:–

"78. **Constitution of Selection Committee to recommend Members**: -
(1) The Central Government shall, for the purposes of selecting the Members of the Appellate Tribunal and the Chairperson and Members of the Central Commission, Electricity Contract Enforcement Authority, State Commissions and Joint Commissions constitute a Selection Committee consisting of –

(a) A person who is, or has been, a Judge of the Supreme Court to be nominated by the Chief Justice of India.................Chairperson;

(b) Secretary-in-charge of the Ministry of the Central Government to be nominated by the Central Government............Member;

(c) Chief Secretaries of two State Governments in accordance with sub-section (2)..........................Member;

(d) Secretary-in-charge of the Ministry of the Central Government dealing with power.................Member.

(2) For the purposes of clause (c) of sub-section (1), the Chief Secretary of the State Governments in alphabetical order of the states starting with Andhra Pradesh, Arunachal Pradesh shall be the members of the Selection Committee for a period of one year.

(3) Secretary-in-charge of the Ministry of the Central Government dealing with Power shall be the Convener of the Selection Committee.

(4) The Central Government shall, within a period of one month from the date of occurrence of any vacancy by reason of death, resignation or removal of a Member of the Appellate Tribunal, or the Chairperson or a Member of the Central Commission or the Electricity Contract Enforcement Authority and within a period of twelve months before the superannuation or end of tenure of the Member of the Appellate Tribunal or Chairperson or Member of the Central Commission or Electricity Contract Enforcement Authority, make a reference to the Selection Committee for filling up of the vacancy

(5) The State Government shall, within a period of one month from the date of occurrence of any vacancy by reason of death, resignation or removal of the Chairperson or a Member and withina period of twelve months before the superannuation or end of tenure of the Chairperson or Member, make a reference to the Selection Committee for filling up of the vacancy.

(6) The proceedings of the Selection Committee shall be held in Delhi or such other places as the Central Government may notify.

(7) The Selection Committee shall finalise the selection of the Chairperson and Members referred to it under sub-sections (4) and (5) and make a recommendation for every vacancy referred to it within three months of the receipt of the reference.

(8) Before recommending any person for appointment as Member of the Appellate Tribunal, or the Chairperson or other Member of the Appropriate Commission or Electricity Contract Enforcement Authority, the Selection Committee shall satisfy itself that such person does not have any financial or other interest which is likely to affect prejudicially his functions as the Chairperson or Member.

(9) No appointment of the Chairperson or other Member shall be invalid merely by reason of any vacancy other than that of the Chairperson in the Selection Committee."

21. In section 79 of the principal Act –

Amendment of Section 79

i) in clause (f) of sub-section (1) of section 79 of the principal Act, after the words "to adjudicate upon disputes", the words "except matters referred to in section 109A" shall be inserted;

ii) after clause (j) insub-section (1), the following clause shall be inserted, namely:-

"(ja)To regulate cross border trade of electricity in accordance with the provisions of this Act and rules made there under;"

iii) In sub section (4) after words "tariff policy published under section 3", the words "and National Renewable Energy Policy under section 3A" shall be inserted.

Amendment of Section 82

22. In section 82 of the principal Act-

i) in the second proviso to sub-section (1), for the words "section 85", the words "section 78" shall be substituted;

ii) in sub-section (4), for the word "three" appearing after the words "not more than", the word "four" shall be substituted;

iii) in sub-section (5), for the words "section 85" appearing after the words "the Committee referred to in", the words "section 78" shall be substituted;

iv) after sub-section (6), the following sub-section shall be inserted, namely:–

"(7) If there is no chairperson and member in a State Commission to perform its functions, the Central Government may, in consultation with the state government concerned, entrust its functions to any other State Commission or Joint Commission, as it deems proper.".

23. In section 84 of the principal Act –

Amendment of Section 84

i) sub-section (1) shall be substituted by the following, namely:-

"(1)The Chairperson and the Members of the State Commission shall be persons having adequate knowledge of, or experience in, or shown capacity in, dealing with, problems relating to engineering, law, economics, commerce, finance, public policy or management and shall be appointed in the following manner, namely:-

(a) one person having qualifications and experience in the field of engineering with specialization in generation, transmission or distribution of electricity;
(b) one person having qualifications and experience in the field of law;
(c) two persons having qualifications and experience in the field of finance, economics, commerce, public policy or management.";

ii) sub-section (2) shall be omitted.

24. Section 85 of the principal Act shall be omitted.

Deletion of Section 85

25. In section 86 of the principal Act –

Amendment of Section 86

i) in clause (f) of sub-section (1) after the words "to adjudicate upon disputes",the words "except matters referred to in section 109A" shall be inserted;

ii) in clause (e) of sub-section (1), after the words "from renewable", the words "and hydro" shall be inserted and after the words "a distribution licensee", the words ","as may be prescribed by the Central Government from time to time" shall be inserted

iii) In sub section (4) after words "tariff policy published under section 3", the words "and National Renewable Energy Policy under section 3A" shall be inserted.

Amendment of Section 90

26. In section 90 of the principal Act, the proviso to sub section (3) shall be omitted.

Amendment of Section 92

27. In section 92 of the principal Act, after sub-section (5), the following sub-section shall be added, namely: –

"(6) Where before or during the course of a proceeding,the Appropriate Commission comes to a conclusion that the Electricity Contract Enforcement Authority has the sole authority and jurisdiction to adjudicate a matter, it shall refer the same to the Electricity Contract Enforcement Authority for its orders".

Insertion of new Chapter

28. After PART X of the principal Act, the following part shall be inserted, namely:-

"PART XA

ELECTRICITY CONTRACT ENFORCEMENT AUTHORITY

<u>109A. Establishment of Electricity Contract Enforcement Authority.</u>-

(1)The Central Government shall, by notification, establish an Electricity Contract Enforcement Authority, to exercise the powers conferred on, and discharge the functions assigned to, it under the Act

(2) Notwithstanding anything contained in this Act or any other law in force, the Electricity Contract Enforcement Authority shall have the sole authority and jurisdiction to adjudicate upon matters regarding performance of obligations under a contract related to sale, purchase or transmission of electricity, provided that it shall not have any jurisdiction over any matter related to regulation or determination of tariff or any dispute involving tariff

(3) Every contract between a generation company and a licensee shall be filed with the Appropriate Commission within 30 days of the said contract having been concluded.

109B. Application to Electricity Contract Enforcement Authority and order thereon - (1) Any person aggrieved in any matter referred to in section 109A may prefer an application to the Electricity Contract Enforcement Authority.

(2) Every application under sub-section (1) shall be filed within a period of six months from the non-performance of the obligation under the contract:

Provided that the Electricity Contract Enforcement Authority may entertain an application after the expiry of the said period of six months if it is satisfied that there is sufficient cause for not filing it within that period.

(3) Every application received under sub section (1) shall be in such form, verified in such manner and be accompanied by such fee as may be prescribed.

(4) On receipt of an application or matter under sub-section (6) of section 92, the Electricity Contract Enforcement Authority may, after giving the parties to the application an opportunity of being heard, determine whether a valid contract subsists between the parties and whether any party is in violation of any of its obligations under the contract.

(5) Upon a finding that there has a violation/breach of obligation under a contract by a party or parties, the Electricity Contract Enforcement Authority shall direct that the said parties immediately perform their obligation under the contract and may direct the payment of costs on account of the breach of contract or non-fulfilment of obligations of the contract and any further amount it may deem fit as compensation.

(6) The Electricity Contract Enforcement Authority shall send a copy of every order made by it to the parties to the application as the case may be.

(7) The Electricity Contract Enforcement Authority shall deal with the application filed before it under sub-section (1) and any matter referred to it under sub-section (6) of section 92 as expeditiously as possible and endeavor to dispose it finally within one hundred and twenty days from the date of its receipt:

Provided that where any application could not be disposed off within the said period of one hundred and twenty days, the Electricity Contract Enforcement Authority shall record its reasons in writing for not disposing of the matter within the said period.

109C. Composition of Electricity Contract Enforcement Authority- (1) The Electricity Contract Enforcement Authority shall consist of the following –

a) a Chairperson;
b) two or more Judicial Members as may be prescribed by the Central Government from time to time; and
c) three or more Technical Members, as may be prescribed by the Central Government from time to time.

(2) Subject to the provisions of this Act,

a) the jurisdiction of the Electricity Contract Enforcement Authority may be exercised by Benches thereof;
b) a Bench may be constituted by the Chairperson of the Electricity Contract Enforcement Authority with two or more Members of the Electricity Contract Enforcement Authority as the Chairperson of the Electricity Contract Enforcement Authority may deem fit:
Provided that every Bench shall include at least one Judicial Member and one Technical Member;

c) the Benches of the Electricity Contract Enforcement Authority shall ordinarily sit in Delhi and such other places as the Central Government may, in consultation with the Chairperson of the Electricity Contract Enforcement Authority, notify;

(d) the Central Government shall, in consultation with the Chairperson of the Electricity Contract Enforcement Authority, notify the areas in relation to which each Bench of the Electricity Contract Enforcement Authority may have exercise jurisdiction.

(3) Notwithstanding anything contained in sub-section (2), the Chairperson of the Electricity Contract Enforcement Authority may transfer a Member of the Electricity Contract Enforcement Authority from one Bench to another Bench

Explanation.- For the purposes of this section, a Judicial Member shall include the Chairperson of the Electricity Contract Enforcement Authority.

109D. Qualification for appointment of Chairperson and Members of Electricity Contract Enforcement Authority.- (1) A person shall not be qualified for appointment as the Chairperson of the Electricity Contract Enforcement Authority or a Member of the Electricity Contract Enforcement Authority unless he-

(a) in the case of the Chairperson of the Electricity Contract Enforcement Authority, is, or has been a Judge of a High Court; and

(b) in the case of a Judicial Member of the Electricity Contract Enforcement Authority, is, or has been a District Judge or Additional District Judge for a minimum period of seven years; and

(c) in the case of a Technical Member of the Electricity Contract Enforcement Authority,-

i. is, or has been, an officer of the rank of Additional Secretary or above for at least one year in the Ministry or Department of the Central Government dealing with power or any other sector of infrastructure; or

ii. ~~is, or has been, a person of ability and standing, having adequate~~ knowledge or experience in dealing with the matters relating to electricity generation, transmission, distribution and regulation, or economics, finance, public policy, commerce, or management with experience in infrastructure related matters.

(2) The Chairperson and Members of the Electricity Contract Enforcement Authority shall be appointed by the Central Government on the recommendation of the Selection Committee referred to in section 78.

(3) Before appointing any person for appointment as Chairperson or other Member of the Electricity Contract Enforcement Authority, the Central Government shall satisfy itself that such person does not have any financial or other interest which is likely to affect prejudicially his functions as such Chairperson or Member.

109E. Term of Office and Terms and Conditions of service.- The Chairperson of the Electricity Contract Enforcement Authority or a Member of the Electricity Contract Enforcement Authority shall hold office as such for a term of five years from the date on which he enters upon his office:

Provided that such Chairperson or other Member shall not be eligible. for reappointment in the same capacity as the Chairperson or a Member in the Electricity Contract Enforcement Authority;

Provided further that no Chairperson of the Electricity Contract Enforcement Authority or Member of the Electricity Contract Enforcement Authority shall hold office after attaining the age of sixty-seven years.

109F. Vacancies.-If, for reason other than temporary absence, any vacancy occurs in the office of the Chairperson of the Electricity Contract Enforcement Authority or a Member of the Electricity Contract Enforcement Authority, the Central Government shall appoint another person in accordance with the provisions of this Act to fill the vacancy and the proceedings may be continued before the Electricity Contract Enforcement Authority from the stage at which the vacancy is filled.

109G. Resignation and Removal.- (1) The Chairperson of the Electricity Contract Enforcement Authority or a Member of the Electricity Contract Enforcement Authority may, by notice in writing under his hand addressed to the Central Government, resign his office:

Provided that the Chairperson of the Electricity Contract Enforcement Authority or a Member of the Electricity Contract Enforcement Authority shall, unless he is permitted by the Central Government to relinquish his office sooner, continue to hold office until the expiry of three months from the date of receipt of such notice or until a person duly appointed as his successor enters upon his office or until the expiry of term of office, whichever is the earliest.

(2) The Chairperson of the Electricity Contract Enforcement Authority or a Member of the Electricity Contract Enforcement Authority shall not be removed from his office except by an order of the Central Government on the ground of proved misbehavior or incapacity after an inquiry made by Chairperson of the Appellate Tribunal in which the Chairperson or a Member of the Electricity Contract Enforcement Authority concerned has been informed of the charges against him and given a reasonable opportunity of being heard in respect of such charges.

109 H. Member to act as Chairperson in certain circumstances.- (1) In the event of the occurrence of any vacancy in the office of the Chairperson of the Electricity Contract Enforcement Authority by reason of his death, resignation or otherwise, the senior-most Member of the Electricity Contract Enforcement Authority shall act as the Chairperson of the Electricity Contract Enforcement Authority until the date on which a new Chairperson, appointed in accordance with the provisions of this Act to fill such vacancy, enters upon his office.

(2) When the Chairperson of the Electricity Contract Enforcement Authority is unable to discharge his functions owing to absence, illness or any other cause, the senior-most Member of the Electricity Contract Enforcement Authority shall discharge the functions of the Chairperson of the Electricity Contract Enforcement Authority until the date on which the Chairperson of the Electricity Contract Enforcement Authority resumes his duties.

109I. Officers and other employees of Electricity Contract Enforcement Authority.- (1) The Central Government shall provide the Electricity Contract Enforcement Authority with such officers and other employees as it may deem fit.

(2) The officers and other employees of the Electricity Contract Enforcement Authority shall discharge their functions under the general superintendence of the Chairperson of the Electricity Contract Enforcement Authority.

(3) The salaries and allowances and other terms and conditions of service of the officers and other employees of the Electricity Contract Enforcement Authority shall be such as may be prescribed by the Central Government.

(4) The Chairperson of Electricity Contract Enforcement Authority shall exercise such financial and administrative powers as may be prescribed by the Central Government.

109 J. Procedure and powers of Electricity Contract Enforcement Authority.- (1) The Electricity Contract Enforcement Authority shall not be bound by the procedure laid down by the Code of Civil Procedure, 1908but shall be guided by the principles of natural justice and, subject to the other provisions of this Act, the Electricity Contract Enforcement Authority shall have powers to regulate its own procedure.

(2) The Electricity Contract Enforcement Authority shall have, for the purposes of discharging its functions under this Act, the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, while trying a suit, in respect of the following matters, namely:-

a) summoning and enforcing the attendance of any person and examining him on oath;
b) requiring the discovery and production of documents,
c) receiving evidence on affidavits;
d) subject to the provisions of sections 123 and 124 of the Indian Evidence Act, 1872, requisitioning any public record or document or copy of such record or document from any office;
e) issuing commissions for the examination of witnesses or documents;
f) reviewing its decisions;
g) dismissing an application on default or deciding it ex parte;
h) setting aside any order of dismissal of an application on default or any order passed by it ex parte;
i) pass an interim order (including granting an injunction or stay) after providing the parties concerned an opportunity to be heard, and
j) any other matter which may be prescribed by the Central Government.

(3) An order made by the Electricity Contract Enforcement Authority under this Act shall be executable by it as a decree of civil court and, for this purpose, the Electricity Contract Enforcement Authority shall have all the powers of a civil court including but limited to powers of attachment and sale of property, arrest and detention in prison and appointment of a receiver.

(4) Notwithstanding anything contained in sub-section (3), the Electricity Contract Enforcement Authority may transmit any order made by it to a civil court having local jurisdiction and such civil court shall execute the order as if it were a decree made by that court.

(5) All proceedings before the Electricity Contract Enforcement Authority shall be deemed to be judicial proceedings within the meaning of sections 193 and 228 of the Indian Penal Code and the Electricity Contract Enforcement

Authority shall be deemed to be a civil court for the purposes of section 345 and 346 of the Code of Criminal Procedure, 1973.

109 K. Distribution of business amongst Benches and transfer of cases from one Bench to another Bench.- (1) Where Benches are constituted, the Chairperson of the Electricity Contract Enforcement Authority may, from time to time, by notification, make provisions as to the distribution of the business of the Electricity Contract Enforcement Authority amongst the Benches and also provide for the matters which may be dealt with by each Bench.

(2) On the application of any of the parties and after notice to the parties, and after hearing such of them as he may desire to be heard, or on his own motion without such notice, the Chairperson of the Electricity Contract Enforcement Authority may transfer any case pending before one Bench, for disposal, to any other Bench.

109 L. Decision to be by majority.- If the Members of the Electricity Contract Enforcement Authority of a Bench consisting of two Members differ in opinion on any point, they shall state the point or points on which they differ, and make a reference to the Chairperson of the Electricity Contract Enforcement Authority who shall either hear the point or points himself or refer the case for hearing on such point or points by one or more of the other Members of the Electricity Contract Enforcement Authority and such point or points shall be decided according to the opinion of the majority of the Members of the Electricity Contract Enforcement Authority who have heard the case, including those who first heard it.

109 M. Right of parties to take assistance of legal practitioner.- A person preferring an application to the Electricity Contract Enforcement Authority under this Act and any other party to the case may either appear in person or take the assistance of a legal practitioner of his choice to present his case before the Electricity Contract Enforcement Authority, as the case may be.

109 N. Appeal to Appellate Tribunal.-Any person aggrieved by any decision or order of the Electricity Contract Enforcement Authority, may, file an appeal to the Appellate Tribunal within sixty days from the date of communication of the decision or order of the Electricity Contract Enforcement Authority to him:

Provided that the Appellate Tribunal may, if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal within the said period, allow it to be filed within a further period not exceeding sixty days."

Amendment of Section 110

29. In section 110 of the principal Act, after the words "or the Appropriate Commission" and before the words "under this Act", the words "or the Electricity Contract Enforcement Authority" shall be inserted.

Amendment of Section 111

30. In sub-section (1) of section 111 of the principal Act, after the words "by the Appropriate Commission" and before the words "under this Act, the words "or an order made by the Electricity Contract Enforcement Authority" shall be inserted.

Amendment of Section 112

31. In sub-section (1) of section 112 of the principal Act, for the words "three other Members", the words "such number of other Members, not less than seven, as may be prescribed by the Central Government" shall be substituted.

Amendment of Section 119

32. In section 119 of the principal Act, after sub-section (3), the following sub-section shall be added, namely:-

"(4) The Chairperson of Appellate Tribunal shall exercise such financial and administrative powers as may be prescribed by the Central Government.".

Amendment of Section 120

33. For clauses (g) and (h) to sub-section (2) of section 120 of the principal Act, the following clauses shall be substituted, namely.-

"(g) dismissing an appeal or an application on default or deciding it *ex-parte*;

(h) setting aside an order of dismissal of an appeal or an application on default or an order passed by it *ex-parte*;".

Amendment of Section 121

34. (1) Section 121 of the principal Act shall be numbered as sub-section (1) thereof.

(2) In the sub-section (1) as so numbered,after the words "the Appropriate Commission or" and before the words "or other interested party, the words "Electricity Contract Enforcement Authority or" shall be inserted and after the words "to any Appropriate Commission" and before the words "for the performance", the words "or Electricity Contract Enforcement Authority" shall be inserted;

(3) After sub-section (1) as so numbered, the following sub-section shall be inserted, namely:-

"(2)The Appellate Tribunal shall have the same jurisdiction, powers and authority to take action on wilful disobedience to any of its judgment, decree, direction, order or other process or wilful breach of an undertaking given to a it, as a High Court under the provisions of the Contempt of Courts Act, 1971 (70 of 1971) on its own motion or on a motion made by the Advocate General or such Law Officer as the Central Government may, by notification in the Official Gazette, specify in this behalf, or any other person, with the consent in writing of such Law Officer or the Advocate General, and a reference in the Contempt of Courts Act, 1971 to a High Court shall be construed as including a reference to the Appellate Tribunal.".

35. (1) Section 142 of the principal Act shall be numbered as sub-section (1) thereof.

(2) In the sub-section (1) as so numbered-

(i) after the words "thereunder, or any direction", the words "or order" shall be inserted;

(ii) for the word "lakh", the word "crore" shall be substituted;

(iii) for the words "to six thousand rupees", the words "upto one lakh rupees" shall be substituted.

(3) After sub-section (1) as so numbered in section 142, the following shall be inserted, namely:-

"(2) Notwithstanding anything contained in sub-section (1), in case any complaint is filed before the Appropriate Commission by any person or if that Commission is satisfied that any person, with effect from such date as may be notified by the Central Government, has not purchased power from renewable or hydro sources of energy as specified by it using its powers under the Act, the Appropriate Commission shall after giving such person an opportunity of being heard in the matter, by order in writing, direct that, without prejudice to any other penalty to which he may be liable under this Act, such person shall pay, by way of penalty, a sum calculated at the rate of fifty paise per kilowatt-hour for the shortfall in purchase in the first year of default, one rupees per kilowatt-hour for the shortfall in purchase in the second successive year of default and at the rate of two rupees per unit for the shortfall in purchase continuing after the second year.".

Amendment of Section 146

36. In section 146 of the principal Act, for the words "lakh", the word "crore" and for the words "five thousand rupees", the words "one lakh rupees" shall be substituted.

Amendment of Section 176

37. In sub-section (2) of section 176 of the principal Act-

i) after clause (a), the following clauses shall be inserted, namely:-

"(aa) the minimum percentage of purchase of electricity from renewable and hydro sources of energy under section 3A;

(ab) allowing and facilitating cross border trade of electricity and any matter related to it under sub section (1) of section 49A;

(ac) laying down the modalities of bundling of renewable energy (including hydro) with thermal energy;

(ad) Renewable Generation Obligation;

(ae) regarding maintaining adequate capacity resources;"

ii) after clause (d), the following clause shall be inserted, namely:-

"(da) payment security mechanism under section 49;";

iii) after clause (p), the following clauses shall be inserted, namely:-

"(pa) the form, the manner of verifying the form, and fee for filing the application under sub-section (4) of section 109B;

(pb) the number of Judicial and Technical Members to be included in the Electricity Contract Enforcement Authority under sub-section (1) of section 109C;

(pc) the salaries and allowances and other terms and conditions of service of the officers and other employees of the Electricity Contract Enforcement Authority under sub-section (3) of section 109I;

(pd) the exercise of financial and administrative powers by the Electricity Contract Enforcement Authority under sub-section (4) of section 109I;",

iv) after clause (q), the following clause shall be inserted, namely:-

"(qa) the number of Members to be included in the Appellate Tribunal under sub section 1 of section 112;";

v) after clause (s), the following clause shall be inserted, namely:-

"(sa) exercise of financial and administrative powers by the Chairperson of Appellate Tribunal under sub section 4 of section 119"

Amendment of Section 178

38. (1) In section 178 of the principal Act,for sub-section (1), the following shall be substituted, namely:-

"(1) The Central Commission may, by notification, make regulations in respect of the functions assigned to it in the Act."

(2) In sub-section (2) of section 178 of the principal Act-

i) after clause (a), the following clause shall be inserted, namely:-

"(aa) Cross border trade of electricity, if any, under sub section (2) of section 6A;";

ii) in clause (j), the words "and a surcharge" shall be omitted;

iii) clause (k) shall be omitted;

iv) in clause (l), the words "and a surcharge" shall be omitted;

v) clauses (m), (r) and (ze) shall be omitted

39. (1)In section 181 of the principal Act,for sub-section (1), the following shall be substituted, namely:-

"(1) The State Commissions may, by notification, make regulations in respect of the functions assigned to it in the Act."

(2) In sub-section (2) ofsection181 of the principal Act-

i) in clause (i), the words "and a surcharge" shall be omitted;

ii) clauses (j), (k), (l), (m) and (n) shall be omitted;

iii) after clause (o), the following clause shall be inserted, namely:-

"(oa) determination and payment of surcharge and wheeling charges under the first proviso to sub-section (2) of section 42;";

iv) for clause (p), the following shall be substituted, namely:-

"reduction in surcharge and cross subsidies, as may be provided for in the Tariff Policy under the third proviso to sub-section (2) of section 42;";

v) after clause (p), the following clause shall be inserted, namely:-

"(pa) the manner of payment and utilization of the surcharge under the fifth proviso to sub-section (2) of section 42;";

vi) clauses (zc) and (zp)shall be omitted.

Statement of Objects and Reasons to
"The Electricity (Amendment) Bill, 2020"

The Electricity Act, 2003 (36 of 2003) (hereinafter referred-as "the 2003 Act") was enacted to consolidate the earlier Electricity Laws, namely, the Indian Electricity Act, 1910, the Electricity (Supply) Act, 1948 and the Electricity Regulatory Commissions Act, 1998. It contains provisions *inter-alia* measures conducive to the development of electricity industry promoting competition therein, protecting interest of consumers and supply of electricity to all areas, rationalization of electricity tariff, ensuring transparent policies, constitution of Central Electricity Authority, Regulatory Commission and establishment of Appellate Tribunal and for matters connected therewith and incidental thereto.

2. Electricity is one of the most critical components of infrastructure which is essential for sustained growth of the Indian economy and welfare of nations. The 2003 Act have brought in huge direct investments, public private partnerships, market development, transparent tariff mechanism etc.; which have enables several reforms, laws and regulations, multifarious contracts and complex disputes. But the electricity sector is seized with few critical issues which have weakened the commercial and investment activities in the electricity sector that needs to be addressed immediately to ensure sustainable growth of the country. It has been felt that the few provisions of the Act are unable to cope with the rapid development of the electricity.

Establishment of Electricity Contract Enforcement Authority and strengthening of APTEL

3. The 2003 Act recognizes the contracts for supply and purchase of electricity but it is not specifically dealing with the issues related to performance of the contract. Strength of contracts enables investment in the electricity sector. Non-performance of the contract may create uncertainty, upset investment decisions and adversely affect investment environment and ease of doing business. Electricity Regulatory Commissions established have been entrusted with multiple responsibilities under the Electricity Act such as regulatory functions, tariff fixation issues, grant of licenses etc with limited powers for adjudication of dispute. Consequently, enforceability of performance of the contracts remains an issue to be addressed.

In view of above, it is proposed to establish a Electricity Contract Enforcement Authority having which shall be sole authority and having original jurisdiction to adjudicate upon matters regarding specific performance of contracts related to purchase or sale of power between a generating company and a licensee or between licensees, and contracts related to transmission of electricity between a generating company and a licensee or between licensees. Orders of the Electricity Authority shall be executable as a decree of civil court. The Appeal against orders of the Electricity Tribunal shall be

heard by Appellate Tribunal for Electricity. It is proposed to strengthen the Appellate Tribunal in terms of strength of Members and powers of Tribunal.

Selection Committee for Chairperson and Members of Commission and Qualifications

4. As per existing provisions of Electricity Act there are multiple Committees for selection to the posts of Chairpersons and members of APTEL, the Central Commission and State Commission. This requires constitution of multiple selection committees for every vacancy occurs. It is proposed to have a single selection committee for selection for the posts of Chairperson and Members of the Appellate Tribunal and all Regulatory Commissions. This will bring uniformity in selection process. Appointments shall continue to be done by respective State Governments or Central Government. Further, the qualification for appointments of Chairperson and Members of Central and State Commission are proposed to be made uniform as they are entrusted with the similar responsibilities under the Act.

National Renewable Energy Policy

5. It is proposed that the Central Government may after consultation with the State Governments, as may be considered necessary, prepare and notify a National Renewable Energy Policy for the promotion of generation of electricity from renewable sources of energy and prescribe a minimum percentage of purchase of electricity from renewable and hydro sources of energy.

Payment Security Mechanism

6. Unlike other commodity delivered by the contracted parties, the dispatch of electricity is being undertaken by load dispatch centre through scheduling. The 2003 Act do not recognizes the any watch or monitoring on payment security mechanism for such dispatch of electricity. The load dispatch centre is scheduling electricity without payment security mechanism. Presently, there is huge accumulation of unrealized revenues. It is proposed to empower load dispatch centre to oversee the payment security mechanism before scheduling dispatch of electricity and to be made mandatory considering sanctity of the existing contracts unless it is waived by the parties to contract themselves. Further, it is pertinent to note that unrealized revenues will cause impediments in economic cycle in the country.

Cost reflective Tariff, Simplification of Tariff Structure & Cross Subsidy

7. The 2003 Act mandated the regulatory Commissions to determine the tariff after receipt of the subsidies but there is no provision for fixation tariff with fair cost. Over the period, the regulatory Commissions have been recognizing cost but defer it to recover in future period and also factoring the subsidies based on commitment. Consequently, the tariff determined is not cost reflective and resulted in weakening the financial health of the distribution companies due to under recovery of the prudent cost. It also hampers the transparency in cost reflective tariff as mandated under the 2003 Act. In view of above, it is felt that provisions related to tariff determination may be expanded and strengthen by imposing certain restriction on deferring revenue recovery. Hence the tariff should reflect the cost of supply of electricity and cross-subsidies to be reduced.

Subsidy

8. Section 65 mandates the state government to grant subsidy to any consumer or class of consumers, but there is no corresponding provisions about the treatment of subsidies in the tariff determined by the state commissions. It is proposed that state commissions to determine tariff for retail sale of electricity without any subsidy under section 65 of the Act.

Function to CERC related to Cross Border Trade of Electricity

9. In view of the emerging requirement to regulate the cross border transactions of electricity with other countries, the central commission has been empowered to oversee the cross border transactions.

Dealing situations in case of Non Functional SERC due to vacancies

10. In order to address the issue of non-functioning due to vacuum in the state commission it is proposed to empower other state commissions including joint commissions to discharge functions of such state commission.

Deemed adoption of Tariff discovered through competitive Bid

11. Timely adoption of tariff discovered under competitive bids as per section 63 of the Act is important to avoid cost escalations and impacts sustainability of the project. It is propose to address the time taken for adoption of tariff and identify time line for the same.

Penalties and RPO- HPO

12. In order to ensure strict compliance of the provisions of the Electricity Act and orders of the commission, it is to strengthen section 142 and section 146 of the Electricity Act with increased penalties. Hydro sources of energy have been recognized as renewable sources of energy. It is proposed to expand the scope of renewable power purchase obligations to include Hydro sources. To harmonize the national level commitments for environment protection, it is proposed to empower the State Commissions to specify the RPO as per RPO trajectory prescribed by the Central government from time to time;

~~Distribution sub-license and Franchise~~

13. The Distribution licensee can recognize and authorize a person as "Distribution sub-licensee" to distribute electricity on its behalf in a particular area within its area of supply, with the permission of the appropriate State Commission. Enabling provisions have been made to address the situations to deal the issues in sections 126, 135, and 164, when a distribution licensee proposes to undertake distribution of electricity for a specific area within his area of supply through another person.

The proposed amendment seeks to achieve the above objectives

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Annexure - 2

No-42/6/2011-R&R (Vol-VIII)
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi, 5th February, 2021

To

Principal Secretaries/Secretaries, Energy/Power Dept., All State Government/ UTs

Subject: **Proposed amendments in the Electricity Act 2003 - Reg.**

Sir/Madam

I am directed to inform that a number of measures have been announced in the Union Budget 2021-22 with respect to the Power Sector. One of the key announcements is regarding giving choice to all categories of consumers to choose Discom for electricity supply for availing efficient and cost effective services. It is proposed to delicence distribution. The present Distribution Companies will continue operating as they are now, but other Distribution Companies can also come in and compete. Consumers shall have the opportunity to select their service provider. In order to implement this proposal, an amendment in the Electricity Act, 2003 is required.

2 In order to also address some other urgent issues related to the Power Sector, it has been proposed to amend the Electricity Act, 2003, keeping the following major objectives in the mind:

(i) Giving choice to the electricity consumers as per the announcement in the Union Budget 2021-22.

(ii) Mandatory appointment of a Member from Law background in the Electricity Regulatory Commissions in compliance to the Hon'ble Supreme Court Judgement dated 12th April, 2018.

(iii) Strengthening of APTEL by increasing number of Members in view of long pendency of cases and consequent delay in deciding the appeals.

(iv) In order to meet the India's International commitment, new provisions related to compliance of Renewable Purchase Obligations (RPO) is being proposed to promote use of renewable energy.

3 A Brief proposal on the above points is at **Annexure-I**

4 Accordingly, a draft of amendments is enclosed **(Annexure-II)** with the request to provide comments to this Ministry within two weeks from the date of this letter.

Yours faithfully

Encl: As Above

(Ghanshyam Prasad)
Joint Secretary to the Govt. of India
Tel. 2371 0389

distribution companies under section 24B;".

(ii) After clause (d), the following clause (da) shall be inserted, namely:-

"(da) rights of consumers/prosumers under sub-section (1a) of section 91;".

(iii) After clause (i), the following clause (ia) shall be inserted, namely:-

"(ia) quantum of purchase of electricity under clause (e) of sub-section (1) of section 86;".

Amendment of Section 178

34. In section 178 of the principal Act,—

i) for sub-section (1), the following shall be substituted, namely:-

"(1) The Central Commission may, by notification, make regulations in respect of the functions assigned to it in the Act.".

(ii) In sub-section (2) of section 178 of the principal Act, -

i) after clause (a), the following clause shall be inserted, namely:-

"(aa) Cross border trade of electricity, if any, under sub section (2) of section 6A;";

ii) clauses (ze) shall be omitted.

Amendment of Section 181

35. In section 181 of the principal Act,

i) for sub-section (1), the following shall be substituted, namely:-

"(1) The State Commissions may, by notification, make regulations in respect of the functions assigned to it in the Act.".

ii) In sub-section (2) of section 181 of the principal Act:-

(i) After clause (d), the following clause (da) shall be inserted, namely:-

"(da) conditions of registration under section 24C ;".

(ii) After clause (n), the following clause (na) shall be inserted, namely:-

"(na) setting up and management of universal service obligation fund under sub-section (2) of section 60A;".

contravened any of the provisions of this Act or the rules made thereunder, the Appropriate Commission may after giving such person an opportunity of being heard in the matter, by order in writing, direct that, without prejudice to any other penalty to which he may be liable under this Act, such person shall pay, by way of penalty, which shall not exceed one crore rupees for each contravention and in case of a continuing failure with an additional penalty which may extend to six lakh rupees for every day during which the failure continues after contravention of the first such direction.

(2) In case any complaint is filed before the Appropriate Commission by any person or if that Commission is satisfied that any person has contravened any direction or order issued by the Commission, the Appropriate Commission may after giving such person an opportunity of being heard in the matter, by order in writing, direct that, without prejudice to any other penalty to which he may be liable under this Act, such person shall pay, by way of penalty, which shall not exceed ten lakh rupees for each contravention and in case of a continuing failure with an additional penalty which may extend to sixty thousand rupees for every day during which the failure continues after contravention of the first such direction.

(3) Notwithstanding anything contained in sub-section (1) and sub-section (2), in case any complaint is filed before the Appropriate Commission by any person or if that Commission is satisfied that any person has not purchased power from renewable sources of energy as prescribed by the Central Government, the Appropriate Commission shall after giving such person an opportunity of being heard in the matter, by order in writing, direct that, without prejudice to any other penalty to which he may be liable under this Act, such person shall pay, by way of penalty, a sum calculated at the rate of not less than twenty-five paisa per kilowatt-hour and not more than fifty paisa per kilowatt-hour for the shortfall in purchase in the first year of default, at a rate of not less than fifty paisa per kilowatt-hour and not more than one rupee per kilowatt-hour for the shortfall in purchase in the second successive year of default and at the rate of not less than one rupee per kilowatt-hour and not more than two rupees per kilowatt-hour for the shortfall in purchase continuing after the second year.".

Amendment of Section 146

32. In section 146 of the principal Act, for the word "lakh", the word "crore" and for the words "five thousand rupees", the words "one lakh rupees" shall be substituted.

Amendment of Section 176

33. In sub-section (2) of section 176 of the principal Act,-

(i) After clause (c), the following clauses (ca) and (cb) shall be inserted, namely:-

"(ca) eligibility criteria to operate as a distribution company under section 24B;

(cb) manner, mode and payment of fees for registration of

i) following new clauses shall be inserted after clause (f), namely:-

"(g) has violated or overlooked the provisions of the Act or the rules made there under, or

(h) has been grossly negligent in performing one or more functions assigned to him or the Commission under the Act or rules made thereunder:":

ii) In first proviso, for the words "clauses (d), (e) and (f)" in second line shall be substituted by the words "clauses (d), (e), (f), (g) and (h)"

Amendment of Section 91

28 In section 91 of the principal Act, the following sub-sections shall be inserted after sub-section (1), namely:—

"(1a) The Appropriate Commission shall establish a monitoring unit with sufficient number of officers and employees, with the approval of the Appropriate Government, specifically for the purpose of ascertaining the compliance by the distribution companies of the provisions of the Act and the rules and regulations made thereunder and laying down the standards of service and the rights of consumers / prosumers as prescribed by the Central Government.

Amendment of Section 94

29. In section 94 of the principal Act, the following sub-sections shall be inserted after sub-section (3), namely:—

"*(4)* An order made by the Bench of the Central Commission under sub-section (1) of section 79 or the Bench of the State Commission under sub-section (1) of section 86, shall be executable as a decree of civil court and, for this purpose the Bench of the Central Commission or the State Commission, as the case may be, shall have all the powers of a civil court including but not limited to powers of attachment and sale of property, arrest and detention in prison and appointment of a receiver.

(5) Notwithstanding anything contained in sub-section (4), the Bench referred to in sub-section (4) may transmit an order made by the Appropriate Commission to a civil court having local jurisdiction and such civil court shall execute the order as if it were a decree made by that court.".

Amendment of Section 112

30. In sub-section (1) of section 112 of the principal Act, for the words "three other Members", the words "such number of other Members, not less than seven, as may be prescribed by the Central Government" shall be substituted

Amendment of Section 142

31. Section 142 of the principal Act shall be substituted by the following, namely: —

"142. Penalty for contravention of the provisions of the Act

(1) In case any complaint is filed before the Appropriate Commission by any person or if that Commission is satisfied that any person has

ii) in clause (e) of sub-section (1), after the words "a distribution licensee", the words ", as may be prescribed by the Central Government from time to time" shall be inserted;

iii) for clause (f) in sub-section (1) of section 86 of the principal Act, the following shall be substituted, namely:—

"(f) to adjudicate upon disputes including matters regarding performance of obligations under a contract related to sale, purchase or transmission of electricity, involving generating companies or licensee and to refer any dispute for arbitration;";

iv) after clause (f) in sub-section (1), the following shall be inserted, namely:—

"(fa) to adjudicate upon disputes involving State Load Despatch Centre in regard to matters connected with section 32 and section 33";

v) after clause (j) in sub-section (1), the following clause (ja) shall be added, namely:-

"(ja) registration of a distribution company for supplying electricity, suspension, amendment and cancellation of registration of a distribution company and specifying conditions of registration;

(jb) issue directions or guidelines or regulations to secure consumer choice and an efficient, coordinated and economical use of distribution system, where there are more than one distribution companies in an area of supply; ".

vi) In clause (k) in sub-section (1), after the words "under this Act" the words " or as may be prescribed by the Central Government." shall be added;

vii) in subsection (1), the following proviso shall be inserted, namely:-

"Provided that a Bench of the State Commission consisting of the Member appointed under clause (c) of sub-section (2) of section 84 and at most one more Member, as may be nominated by the Chairperson, shall discharge the functions given in clauses (f) and (fa).";

Amendment of Section 89

26. In section 89 of the principal Act, the following sub-section shall be inserted after sub-section (5), namely:—

"(6) Notwithstanding anything contained in this Act, the term, salary, allowances and other terms and conditions of Members appointed under sub-section (2) (c) of section 85 shall be governed by their service rules.".

Amendment of Section 90

27. In subsection (2) of section 90 of the principal Act,—

"(6) If any State Commission is unable to perform its functions on account of vacancies. the Central Government may, in consultation with the State Government concerned, entrust its functions to any other State Commission or Joint Commission, as it deems proper."

Amendment of Section 84

23. In section 84 of the principal Act, —

i) sub-section (1) shall be substituted by following, namely.—

"(1) The Chairperson of the State Commission shall be a person of ability, integrity and standing, having adequate knowledge of and experience in the power sector, or, is or has been a Chief Secretary or Additional Chief Secretary or Principal Secretary Power; or equivalent for at least one year in the State Government and has experience of at least two years in power sector.";

ii) sub-section (2) shall be substituted by the following, namely.—

"(2) The Members, other than the Chairperson, of the State Commission shall be persons of ability. integrity and standing. having adequate knowledge of and experience in the fields of engineering, law, economics, commerce, finance. public policy / public administration or, management and shall be appointed in the following manner, namely:-

(a) one person having qualifications and experience in the field of engineering with specialisation in generation, transmission or distribution of electricity;

(b) one person having qualifications and experience in the field of finance, economics, commerce, public policy / public administration or management;

(c) a serving District Judge to be appointed on the recommendation of the Chief Justice of the High Court concerned.".

Amendment of Section 85

24. In section 85 of the principal Act, —

i) clause (c) of sub-section (1) shall be substituted by the following. namely:—

" (c) nominee of the Central Government, not below the rank of Additional Secretary to Government .... Member.".

ii) in subsection (6), after the word "vacancy", the word, "other than that of the Chairperson of the Selection Committee" shall be inserted:

Amendment to section 86

25. In section 86 of the principal Act,--

i) in the title after the word "Function", the word "and duties" shall be inserted.

Amendment of Section 79

21. In section 79 of the principal Act,-

i) in the title after the word "Function", the word "and Duties" shall be inserted.

ii) for clause (f) in sub-section (1), the following shall be substituted, namely:—

"(f) to adjudicate upon disputes including matters regarding performance of obligations under a contract related to sale, purchase or transmission of electricity, involving generating companies or licensee in regard to matters connected with clauses (a) to (d) of sub-section (1) and to refer any dispute for arbitration;";

iii) after clause (f) in sub-section (1), the following shall be inserted, namely:—

"(fa) to adjudicate upon disputes involving National Load Despatch Centre or Regional Load Despatch Centre in regard to matters connected with section 26, section 28 and section 29;";

iv) after clause (j) in sub-section (1), the following clause shall be inserted, namely:—

"(ja) registration of a distribution company for supplying electricity in more than one state;".

v) In clause (k) of sub-section (1), after the clause "under this Act" the clause "or as may be prescribed by the Central Government" shall be added.

vi) After clause (k) in sub-section (1), the following proviso shall be inserted, namely:—

"Provided that a Bench of the Central Commission consisting of the Member appointed under clause (c) of sub-section (2) of section 77 and at most one more Member, as may be nominated by the Chairperson, shall discharge the functions given in clauses (f) and (fa).";

Amendment of Section 82

22. In section 82 of the principal Act,—

i) sub-section (4) shall be substituted by the following, namely:—
"(4) The State Commission shall consist of a Chairperson and three other Members.";

ii) after sub-section (5), the following sub-section shall be inserted, namely:-

(ii) in sub-section (3), in the opening portion, for the words "one hundred and twenty days from receipt of an application", the words "ninety days from receipt of application or initiation of proceedings, as the case may be." shall be substituted.

Amendment of Section 76

18. In section 76 of the principal Act, for the word "three" appearing in clause (a) in sub-section (5), the word "four" shall be substituted.

Amendment of Section 77

19. In section 77 of the principal Act —

i) sub-section (1) shall be substituted by following, namely:—

"(1) The Chairperson of the Central Commission shall be a person of ability, integrity and standing, having adequate knowledge of and experience in the power sector, or, is or has been Secretary or Additional Secretary for a total of at least two years in the Ministry or Department of the Central Government dealing with power sector or Chief secretary of the State or Additional Chief secretary dealing with power sector of the State.";

ii) sub-section (2) shall be substituted by the following, namely:—

"(2) The Members, other than the Chairperson, of the Central Commission shall be persons of ability, integrity and standing, having adequate knowledge of and experience in the fields of engineering, law, economics, commerce, finance, public policy / administration or, management and shall be appointed in the following manner, namely:-

(a) one person having qualifications and experience in the field of engineering with specialisation in generation, transmission or distribution of electricity;

(b) one person having qualifications and experience in the field of finance;

(c) one person, who is or has been a District Judge for at least two years; and

(d) one person having qualifications and experience in the field of economics, commerce, public policy/ public administration or management.".

Amendment of Section 78

20. In section 78 of the principal Act, —

i) in clause (a) of sub-section (1), for the words "Planning Commission", the words "Niti Aayog" shall be substituted;

ii) in subsection (9), after the word "vacancy", the word, "other than that of the Chairperson of the Selection Committee" shall be inserted;

iii) the proviso shall be omitted.

(2) On the registration of more than one distribution company in an area of supply, a universal service obligation fund to be managed by a Government company or entity, designated by the State Government, shall be created. Any surplus with a distribution company on account of cross subsidy or cross subsidy surcharge or additional surcharge shall be deposited into this fund, and this fund shall be utilised to fund any deficits in cross subsidy in the same or any other area of supply.".

Amendment of Section 62

15. In section 62 of the principal Act, -

i) In the provisio of subsection (1), after the words "the Appropriate Commission", the word "may" shall be substituted by "shall".

ii)a new provisio after the 1st provisio of subsection (1) shall be add as under

"Provided further that in such ceiling tariff, the cross subsidy shall be indicated separately by the Appropriate Commission."

Insertion of new Section 63

16. Section 63 of the principal Act shall be numbered as sub-section (1) thereof and after sub-section (1) as so numbered, the following sub-section shall be inserted, namely:—

"*(2)* The Appropriate Commission shall, after receipt of application complete in all respects, adopt the tariff so determined under sub-section (1), not later than ninety days from the date of application:

Provided that, if the tariff is not decided by the Appropriate Commission, on expiry of ninety days from receipt of such application, the proposed tariff shall be deemed to have been adopted.".

Amendment of Section 64

17. In section 64 of the principal Act,—

(i) Sub-section (1) shall be substituted by the following, namely:—

"*(1)* An application for determination of tariff under section 62 shall be made by a generating company or distribution company or licensee in such manner and accompanied by such fee, as may be determined by regulations:

Provided that if an application is not made by a distribution company in time, the State Commission shall not later than 30 days of the last date specified in the regulations, initiate proceedings for determination of tariff and call for such information, details and documents as may be required for such determination with the objective of determining the tariff before the beginning of the financial year.

Provided further that, where two or more distribution companies are registered to operate in the same area, the Appropriate Commission shall fix the ceiling tariff suo moto after calling for requisite information from the distribution companies. ";

company an opportunity of being heard in the matter, issue such directions and /or impose such penalties as it considers necessary."

Insertion of new Section 47

12. In section 47 of the principal Act, the following shall be substituted for sub-section (5), namely:—

"*(5)* A distribution company shall not be entitled to require security in pursuance of clause (a) of sub-section (1), in case of supply of electricity through a pre-payment meter."

13. After section 49 of the principal Act, the following section shall be inserted, namely:—

Insertion of new Section 49 A

"**49A. Cross Border Trade of Electricity.** - *(1)* The Central Government may prescribe rules and issue guidelines for allowing and facilitating cross border trade of electricity in accordance with the provisions of this Act:

Provided that the guidelines governing Cross Border Trade of Electricity issued prior to the notification of Electricity (Amendment) Act, 2021 shall be deemed to have been issued under this Act.

(2) The Central Commission may make regulations consistent with the provisions of the Act and the rules and the guidelines made thereunder for cross border trade of electricity:

Provided that the regulations issued prior to the notification of Electricity (Amendment) Act, 2021 shall be deemed to have been made under this Act."

Insertion of new Section 60 A

14 After section 60 of the principal Act, the following section 60A shall be inserted, namely:-

"**60A. Management of power purchase, cross subsidy, etc.**– (1) Notwithstanding anything contained in the Act, on the registration of more than one distribution company in an area of supply, the power from the existing power purchase agreements with the existing distribution company, as on the date of registration of another distribution company, shall be shared among all the distribution companies in the area of supply as per the arrangements specified by the State Commission in accordance with the rules, if any, prescribed by the Central Government.

Provided that the State Commission shall review the sharing of power from the existing power purchase agreements periodically:

Provided further that a distribution company may enter into additional power purchase agreements, after meeting the commitments of the existing power purchase agreements, to meet any additional requirement of power without sharing with other distribution companies

(d) exercise supervision and control over the inter-regional and inter-state transmission network; and

(e) have overall authority for carrying out real time operations of the national grid.

(5) The National Load Despatch Centre may give such directions and exercise such supervision and control over the power system as may be required for the safety and security of the national grid, for ensuring the stability of grid operation and for achieving maximum economy and efficiency in the operation of the power system throughout the country.

(6) The National Load Despatch Centre may give the directions directly or through the Regional or State Despatch Centre concerned.

(7) Every Regional Load Despatch Centre, State Load Despatch Centre, licensee, generating company, generating station, sub-station and any other person connected with the operation of the power system shall comply with the directions issued by the National Load Despatch Centre."

Amendment of Section 28

9. In section 28 of the principal Act, the following proviso shall be inserted in clause (a) of sub-section (3), namely :—

"Provided that no electricity shall be scheduled or despatched under such contract unless adequate security of payment, as agreed upon by the parties to the contract, has been provided.".

Amendment of Section 32

10. In section 32 of the principal Act, the following proviso shall be inserted in clause (a) of sub-section (2), namely:—

"Provided that no electricity shall be scheduled or despatched under such contract unless adequate security of payment, as agreed upon by the parties to the contract, has been provided.".

Insertion of new sub Section 4A and 4B in section 42

11. After subsection 4 of section 42 of the principal Act, the following subsections shall be inserted, namely:-

"(4a) A distribution company shall provide non-discriminatory access through its distribution system to all distribution companies registered within the same area of supply, subject to payment of wheeling charges and the regulations specified by the State Commission."

"(4b) In case any complaint is filed before the Appropriate Commission by any person or if that Commission is satisfied that a distribution company has knowingly failed to provide access through its distribution system to another distribution company or hindered it in any manner from using its distribution network, the Appropriate Commission may, after giving the distribution

the Act and the rules and regulations made thereunder, or

(ii) make the deposit or furnish the registration fees, as prescribed by the Central Government.

Provided that no registration shall be cancelled unless the State Commission has given to the distribution company at least three months' notice, in writing, stating the grounds on which it is proposed to cancel the registration, and has considered any objections by the distribution company within the period provided in the notice.

2) The State Commission may, instead of cancelling a registration under sub-section (1), permit it to remain in force subject to such further terms and conditions or amendment as it thinks fit to impose, which shall become binding upon and be observed by the distribution company and shall be deemed to be conditions of the registration while making suitable arrangements to secure supply to the consumers of such distribution company

(3) Where the State Commission cancels a registration under this section, it shall serve a notice of cancellation upon the distribution company and fix a date on which the cancellation shall take effect.

(4) Any vesting or sale of utility of the distribution company shall be in accordance with the procedure provided under sections 20, 21 and 22, as the case may be.".

8. In section 26 of the principal Act, -

i) for sub-section (2), the following shall be substituted, namely, :-

"*(2)* The constitution of the National Load Despatch Centre shall be such as may be prescribed by the Central Government.";

ii) after sub-section (3), the following sub-sections shall be inserted, namely:-

"*(4)* The National Load Despatch Centre shall —

(a)be the apex body to ensure integrated operation of the power system in the country

(b) be responsible for optimum scheduling and despatch of electricity in the country across different States and regions in accordance with the contracts entered into with the licensees or the generating companies;

(c) monitor grid operations and ensure security of the electricity grid and for this purpose give directions as necessary to Regional Load Despatch Centre or State Load Despatch Centre, as the case may be.

prescribed by the Central Government, shall, within a period of 60 days, issue a registration certificate if the person meets the eligibility criteria prescribed by the Government:

Provided that an application for registration may be rejected only on the ground that the applicant does not fulfill the qualifications prescribed for registration:

Provided also that the Appropriate Commission shall inform the applicant of any deficiency in the application, or if any additional information is required, and shall give the applicant adequate opportunity to remove the deficiencies or supply the additional information, and an application can be rejected only after the applicant has been given adequate opportunity to correct the deficiencies as above, and only after hearing the applicant:

Provided also that if no order is passed by the Appropriate Commission within 60 days, the registration shall be deemed to have been granted:

Provided also that for adequate reasons to be recorded in writing and after hearing, the Appropriate Commission may extend the period of 60 days by an additional period of 15 days.

(3) In the case of an application concerning an area including the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Government for defence purposes, the Appropriate Commission shall ascertain that there is no objection from the Central Government to the grant of the registration.

(4) A registration shall continue to be in force unless cancelled in accordance with the provisions of this Act.

24C. Conditions of registration.- The State Commission may specify terms and conditions for supply which shall apply to all distribution companies and such conditions shall be deemed to be the conditions of registration.

24D. Amendment and cancellation of registration.- (1) The State Commission, after making an enquiry, may amend or cancel the registration, if it is satisfied that:

(a) the distribution company has made willful and prolonged default in doing anything required of it or under this Act or the rules or regulations made thereunder; or

(b) the distribution company is not eligible as per the qualification criteria prescribed for registration; or

(c) the distribution company within the period specified in this behalf, or any longer period which the State Commission may grant, has failed to:-

(i) show that it is in a position to fully and efficiently discharge the duties and obligations imposed on it under

(iii) in the third proviso, the words "or distributes electricity" shall be omitted:

(iv) the sixth to eighth provisos shall be omitted;

(v) in the ninth proviso, the words "distribution licensee" shall be substituted with the words "distribution company".

Insertion of new Sections 24A-24D

7 After section 24 of the principal Act, the following sections shall be inserted, namely:-

"24A. **Distribution company**.- (1) Any company which fulfills the prescribed qualifications and has registered itself with the Appropriate Commission may supply electricity to consumers in its area of supply either using its own distribution system or using the distribution system of another distribution company provided that it complies with the provisions of this Act and the rules and regulation made there under

(2) Any reference to include or to mean a distribution licensee in this Act and the rules and regulations made thereunder shall be construed to mean a reference to a distribution company and any reference to a distribution licence shall be construed to mean registration for distribution.

24B. Registration for distribution of electricity.- (1) Any person who meets the eligibility criteria prescribed to operate as a distribution company, may commence operations in an area of supply after registration with the Appropriate Commission or deemed registration in terms of fourth proviso to sub-section (2):

Provided that where an Appropriate Government distributes electricity, whether before or after the commencement of this Act, it shall be deemed to be a distribution company under this Act, and shall not be required to register under this Act:

Provided also that two or more distribution companies may register to distribute electricity in the same area:

Provided also that a distribution company may propose to undertake distribution of electricity for a specified area through another person and such person shall not be required to register separately:

Provided also that where a person intends to generate and distribute electricity in a rural area to be notified by the State Government, such person shall not require any registration for such generation and distribution of electricity, but shall comply with the measures which may be specified by the Authority under section 53·

Provided also that a distribution licensee functioning on or before the commencement of the Electricity (Amendment) Act, 2021 shall be deemed to have been registered as a distribution company and authorized to supply electricity under the Act.

(2) The Appropriate Commission, on receipt of an application complete in all respects regarding the specified qualifications from a person, in such form, manner and accompanied with such fees as

Draft THE ELECTRICITY (AMENDMENT) BILL, 2021

A Bill to further amend the Electricity Act, 2003

Be it enacted by Parliament in the Seventy First Year of the Republic of India as follows:—

Short title and commencement

1. (1) This Act may be called the Electricity (Amendment) Act, 2021.

(2) It shall come into force on such date, as the Central Government may, by notification in the Official Gazette, appoint.

Amendment of Section 1

2. In sub-section (2) of section 1 of the Electricity Act, 2003 (hereinafter referred as "the principal Act"), the words "except the State of Jammu and Kashmir" shall be omitted.

Amendment of Section 2

3. In section 2 of the principal Act:-

(i) for clause (3), the following clause shall be substituted, namely:-

""area of supply" means the area for which a distribution company is registered with the Appropriate Commission to supply electricity:

Provided that the area within a Municipal Council or a Municipal Corporation as defined in Article 243Q of the Constitution of India or a revenue district or an smaller area as notified by the Appropriate Government shall be the minimum area of supply";

(ii) after clause (15), the following new clause shall be inserted, namely:—

"(15a) "Cross border trade of electricity" means transactions involving import or export of electricity between India and any other country and includes transactions between two other countries that involve the use of the transmission lines of India;';

(iii) for clause (17), the following clause shall be substituted, namely:-

"distribution company" means a company or body corporate registered under section 24B for the purpose of supply of electricity through its own distribution system or using the distribution system of other distribution companies to the consumers in its area of supply;".

Amendment of heading of Part IV

4. For the heading of Part IV of the principal Act, the following heading such be substituted, namely:-

"Part IV- Licensing and Registration".

Amendment of Section 12

5. In section 12 of the principal Act, clause (b) shall be deleted and clause (c) shall be renumbered as clause (b).

Amendment of Section 14

6. In section 14 of the principal Act,-

(i) clause (b) namely "to distribute electricity as a distribution licensee; or" shall be omitted;

(ii) in the first proviso, the words "or supply" shall be omitted;

3. **Strengthening of APTEL by increasing number of Members in view of long pendency of cases and consequent delay in deciding the appeals.**

In view of the large pendency of cases and consequent delay in deciding the appeals, it is proposed to increase the number of the Members of the Appellate Tribunal for Electricity. So from the present strength of two benches, it would increase to four benches.

4. **International Obligations regarding Clean Energy.**

In order to meet the India's International commitment, new provisions related to Renewable Purchase Obligations (RPO) is being proposed to increase the share of renewable energy.

The Bill introduces a specific provision for penalties for not meeting RPO. These are necessary in view of the importance of green energy for our environment in the context of global climate change concerns and our international commitments to increase the share of renewable energy.

Annexure- I

A brief on the proposed changes in the Electricity Act 2003

(i) **Giving choice to the electricity consumers as per the announcement in the Union Budget 2021-22.**

Following announcement has been made in the Union Budget 2021-22 on 01.02 2021

The distribution companies across the country are monopolies, either government or private There is a need to provide choice to consumers by promoting competition A framework will be put in place to give consumers alternatives to choose from among more than one Distribution Company "

In order to provide choice to the consumer in selecting supplier of electricity multiple distribution companies have to operate in the same area of supply. This will lead to competition and improvement in services to the consumer.

The existing distribution companies shall continue to function as they are now The existing distribution company shall continue to supply electricity to the consumers without any change in the area of supply. With delicensing other distribution companies can come in and compete.

Companies meeting the prescribe eligibility criteria will register themselves with the Appropriate Commission before beginning supply of electricity. The Commission shall be required to register the company within a period of 60 days. It can reject to register only if the company does not meet the eligibility criteria. All companies shall be required to function according to the provision of the Act, the Rules and Regulations made thereunder and the oversight of the State Electricity Regulatory Commission

The competition, will enable improvement in the distribution services and provide efficient services to the electricity consumers

2. **Mandatory appointment of a Member from Law background in the Electricity Regulatory Commissions in compliance to the Hon'ble Supreme Court Judgment dated 12th April, 2018**

To give effect to the judgment dated 12.4.2018 of the Hon'ble Supreme Court in Civil Appeal No. 14697 of 2015, State of Gujarat & Others versus Utility Users' Welfare Association & Others, whereby it has been held that all Electricity Regulatory Commissions must have a Member with experience and qualifications in law Accordingly, amendments are proposed for this purpose including constitution of a Bench in each of the Commissions for adjudicatory functions It is further proposed to make these Benches responsible for adjudication of disputes including matters regarding performance of obligations under a contract related to sale purchase or transmission of electricity, involving generating companies or licensee and empower them with powers to execute their orders as a decree of a civil court.

The strength of the ERCs is being increased by one more member so that there is proper representation of experts from various field in the Electricity Regulatory Commissions.

Annexure - 4

Phone : 080-22258537
Telefax : 080-22281049

FEDERATION OF KARNATAKA ELECTRICITY BOARD EMPLOYEES' UNION AND ASSOCIATIONS

(Reg. No. 1093/98-99)
Office of the KEB Employees' Union, KEB Compound,
Ananda Rao Circle, Bangalore - 560 009

Ref. No. : FKEBEUA/ 2020-21/42 Date : 28.05.2021

To,
The Hon'ble Chief Minister
Govt. of Karnataka, Vidhana Soudha,
Bengaluru-560001.

Respected Sir (ಸನ್ಮಾನ್ಯರೇ),

Sub: Comments on the proposed Amendments to the Electricity Act – 2003 and request to recommend to the Central Government to take necessary action to drop these proposed amendments –Reg.

ವಿಷಯ: 2003ರ ವಿದ್ಯುಚ್ಛಕ್ತಿ ಕಾಯ್ದೆಗೆ ಪ್ರಸ್ತಾಪಿಸಿರುವ ತಿದ್ದುಪಡಿಗಳಿಗೆ ಸಂಬಂಧಿಸಿದ ಪ್ರತಿಕ್ರಿಯೆಗಳು ಮತ್ತು ಪ್ರಸ್ತಾಪಿಸಿರುವ ತಿದ್ದುಪಡಿಗಳನ್ನು ಕೈಬಿಡುವಂತೆ ಕೇಂದ್ರ ಸರ್ಕಾರಕ್ಕೆ ಶಿಫಾರಸ್ಸು ಮಾಡಲು ಮನವಿ.

The Ministry of Power has proposed some amendments to the Electricity Act 2003 in its draft bill issued vide letter dated 17th April 2020 and sought comments on these proposed amendments from the State Governments, State Electricity Regulators, Power Utilities in India etc., and comments are to be furnished before 5th June 2020.

ಕೇಂದ್ರ ಸರ್ಕಾರದ ಇಂಧನ ಮಂತ್ರಾಲಯವು 2003ರ ವಿದ್ಯುಚ್ಛಕ್ತಿ ಕಾಯ್ದೆಗೆ ಕೆಲವೊಂದು ತಿದ್ದುಪಡಿಯನ್ನು ತರಲು ಕರಡು ಮಸೂದೆಯನ್ನು ದಿನಾಂಕ 17.04.2020ರ ಪತ್ರದಲ್ಲಿ ಹೊರಡಿಸಲಾಗಿದ್ದು, ಪ್ರಸ್ತಾಪಿಸಿರುವ ತಿದ್ದುಪಡಿಗಳಿಗೆ ಸಂಬಂಧಿಸಿದಂತೆ, ರಾಜ್ಯ ಸರ್ಕಾರಗಳ, ರಾಜ್ಯ ವಿದ್ಯುಚ್ಛಕ್ತಿ ಪ್ರಾಧಿಕಾರಗಳ, ರಾಜ್ಯದಲ್ಲಿನ ವಿದ್ಯುತ್ ಉತ್ಪಾದನೆ/ಪ್ರಸರಣ / ವಿತರಣಾ ಸಂಸ್ಥೆಗಳ ಮತ್ತು ಇತರರ ಪ್ರತಿಕ್ರಿಯೆಗಳನ್ನು ದಿನಾಂಕ 05.06.2020ರ ಒಳಗೆ ಸಲ್ಲಿಸಲು ತಿಳಿಸಲಾಗಿದೆ.

ಪ್ರ. ಕಾ. ಮು. ಕಾರ್ಯದರ್ಶಿಗಳು
ಇಂಧನ ಇಲಾಖೆ

ಅನುಮೋದನೆ ಕ್ರಮ

ಜಿ. ಎಲ್. ... ಕುಮಾರ್
ಮುಖ್ಯಮಂತ್ರಿಯವರ ಅಧೀನ ಕಾರ್ಯದರ್ಶಿ
(ಆಡಳಿತ)

Phone . 080-2225[illegible]37
Telefax : 080-22281049

FEDERATION OF KARNATAKA ELECTRICITY BOARD
EMPLOYEES' UNION AND ASSOCIATIONS
(Reg. No 1093/98-99)
Office of the KEB Employees' Union, KEB Compound,
Ananda Rao Circle, Bangalore - 560 009

As per the provisions of the Constitution of India, the Electricity is a concurrent subject, Central Government can not take unilateral decisions, but the Union of India is unnecessarily snatching away the powers / rights of the State Governments by making these proposed amendments to the Electricity Act, 2003 and control of the States over the Energy Sector is completely taken away by the Central Government, which is against to the federal system principles.

ಭಾರತ ಸರ್ಕಾರದ ಸಂವಿಧಾನದನ್ವಯ ವಿದ್ಯುಚ್ಛಕ್ತಿಯು ಕನ್‌ಕರೆಂಟ್ (Concurrent) ವಿಷಯವಾಗಿದ್ದು ಕೇಂದ್ರ ಸರ್ಕಾರವು ಏಕಪಕ್ಷೀಯ ನಿರ್ಧಾರಗಳನ್ನು ತೆಗೆದುಕೊಳ್ಳುವುದು ಸಾಧುವಲ್ಲ. ಆದರೆ ಕೇಂದ್ರ ಸರ್ಕಾರವು ಅನಾವಶ್ಯಕವಾಗಿ ಈ ತಿದ್ದುಪಡಿಗಳ ಮೂಲಕ ರಾಜ್ಯ ಸರ್ಕಾರಗಳ ಅಧಿಕಾರ ಮತ್ತು ಹಕ್ಕುಗಳನ್ನು ಕಸಿದುಕೊಂಡು ರಾಜ್ಯ ಸರ್ಕಾರಗಳ ನಿಯಂತ್ರಣದಿಂದ ವಿದ್ಯುತ್ ಕ್ಷೇತ್ರವನ್ನು ಸಂಪೂರ್ಣವಾಗಿ ಕಿತ್ತುಕೊಂಡು ತನ್ನ ಅಧಿಕಾರ ವ್ಯಾಪ್ತಿಗೆ ತರಲು ಹೊರಟಿರುವುದು ವಿಷಾದಕರ ಮತ್ತು ಇದು ಒಕ್ಕೂಟ ವ್ಯವಸ್ಥೆಗೆ ವಿರುದ್ಧವಾಗಿರುತ್ತದೆ.

In this regard, We The Federation of Karnataka Electricity Board Employees Union & Associations wish to draw your kind attention for the following proposed amendments by the Central Government are towards snatching the Powers of the State Government, removing the subsidy being extended to the farmers, existence of State owned Generation, Transmission and Distribution Companies and its manpower.

ಈ ಸಂಬಂಧವಾಗಿ, ನಾವು ಅಂದರೆ ಕರ್ನಾಟಕ ವಿದ್ಯುಚ್ಛಕ್ತಿ ಮಂಡಳಿ ನೌಕರರುಗಳ ಒಕ್ಕೂಟ ಮತ್ತು ಸಂಘ ಸಂಸ್ಥೆಗಳೂ ಈ ಮೂಲಕ ತಮ್ಮ ದಯಾಪರ ಆದ್ಯ ಗಮನಕ್ಕೆ ತರಬಯಸುವುದೇನೆಂದರೆ, ಕೇಂದ್ರ ಸರ್ಕಾರವು 2003ರ ವಿದ್ಯುತ್ ಕಾಯ್ದೆ ತರಲು ಹೊರಟಿರುವ ಈ ಕೆಳಕಂಡ ತಿದ್ದುಪಡಿಗಳು ರಾಜ್ಯ ಸರ್ಕಾರದ ಅಧಿಕಾರ ವ್ಯಾಪ್ತಿ ಮತ್ತು ಹಕ್ಕುಗಳನ್ನು ಕಸಿದುಕೊಳ್ಳುವುದರೊಂದಿಗೆ ರಾಜ್ಯದ ರೈತರುಗಳ ಕೃಷಿ ಪಂಪ್ ಸೆಟ್‌ಗಳಿಗೆ ಮತ್ತು ರಾಜ್ಯದಲ್ಲಿ ಆರ್ಥಿಕವಾಗಿ ಹಿಂದುಳುದ ಗ್ರಾಹಕರುಗಳಿಗೆ ಹಾಗೂ ರೀಯಾತಿ ದರದಲ್ಲಿ ನಿರ್ವಹಿಸುತ್ತಿರುವ ಬೀದಿ ದೀಪ, ಕುಡಿಯುವ ನೀರಿನ ವ್ಯವಸ್ಥೆಯ ಗ್ರಾಹಕರುಗಳಿಗೆ ನೀಡಲಾಗುತ್ತಿರುವ ಸಹಾಯಧನವನ್ನು ತೆಗೆದು ಹಾಕಲಾಗುತ್ತಿದ್ದು ರಾಜ್ಯ ಸರ್ಕಾರದ ಉತ್ಪಾದನೆ, ಪ್ರಸರಣ ಮತ್ತು ವಿತರಣಾ ಕಂಪನಿಗಳ ಅಸ್ತಿತ್ವಕ್ಕೆ ಧಕ್ಕೆ ಮತ್ತು ಈ ಕಂಪನಿಗಳಲ್ಲಿ ಕಾರ್ಯನಿರ್ವಹಿಸುತ್ತಿರುವ ನೌಕರರುಗಳಿಗೆ ಮಾರಕವಾಗುತ್ತದೆ.

1. **Distribution Sub-Licensee and Franchisee** (ವಿತರಣೆ ಉಪ-ಪರವಾನಗಿದಾರರು ಮತ್ತು ಫ್ರ್ಯಾಂಚೈಸೀ) :

In this amendment provision is made for ***"Distribution sub-licensee"/"franchisee"*** to distribute electricity on behalf of licensee, to privatise Discoms and this leads to increase the burden on the consumer. This experiment of privatising the distribution sector has failed in many cities across the country such as Gaya, Samastipur, Bhagalpur, Kanpur, Gwalior, Sagar, Ujjain, Aurangabad, Jalgaon, Ranchi, Jamshedpur etc.,
Hence, this proposed amendment needs to be dropped.

Phone : 080-22258537
Telefax : 080-22281049

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Ananda Rao Circle, Bangalore - 560 009

ಈ ತಿದ್ದುಪಡಿಯಲ್ಲಿ ಸನ್ನದುದಾರರ ಪರವಾಗಿ ಡಿಸ್ಟ್ರಿಬ್ಯೂಷನ್ ಸಬ್ ಲೈಸೆನ್ಸಿಗಳು ಅಥವಾ ಫ್ರಾಂಚೈಸಿಗಳು ವಿದ್ಯುತ್ ವಿತರಣೆ ಮಾಡಬಹುದಾಗಿರುತ್ತದೆ. ಈ ಮೂಲಕ ವಿತರಣಾ ಕಂಪನಿಗಳನ್ನು ಖಾಸಗೀಕರಣ ಮಾಡುವುದೇ ಆಗಿರುತ್ತದೆ. ಇದರಿಂದಾಗಿ ರಾಜ್ಯದ ಗ್ರಾಹಕರುಗಳಿಗೆ ಹೆಚ್ಚಿನ ಹೊರೆಯಾಗುತ್ತದೆ. ಈಗಾಗಲೇ ಭಾರತದ ನಗರಗಳಾದ ಗಯಾ, ಸಮಸ್ತಿಪುರ್, ಭಗಲ್‌ಪುರ್, ಕಾನ್ಪುರ್, ಗ್ವಾಲಿಯರ್, ಔರಂಗಾಬಾದ್ ಮತ್ತು ಇತರೆಡೆಗಳಲ್ಲಿ ವಿತರಣಾ ಕ್ಷೇತ್ರದ ಖಾಸಗೀಕರಣ ಮಾಡಲಾಗಿದ್ದು, ಇದು ವಿಫಲವಾಗಿರುತ್ತದೆ. ಈ ಪ್ರಸ್ತಾವಿತ ತಿದ್ದುಪಡಿಯು ರಾಜ್ಯಕ್ಕೆ ಮತ್ತು ರಾಜ್ಯದ ಜನತೆಗೆ ಮಾರಕವಾಗಿರುವುದರಿಂದ ಇದನ್ನು ಅವಶ್ಯಕವಾಗಿ ಕೈಬಿಡಬೇಕಾಗಿರುತ್ತದೆ.

2. **Establishment of Electricity Contract Enforcement Authority (ECEA)** (ವಿದ್ಯುತ್ ಗುತ್ತಿಗೆಗಳ ಜಾರಿ ಪ್ರಾಧಿಕಾರ (ಇಸಿಇಎ) ಸ್ಥಾಪನೆ):

The amendment seeks to create one more additional authority i.e., ECEA as a sole authority to redress the contractual disputes related to the power sector, which is similar to the existing appellate tribunals and to be located in Delhi. The creation of ECEA will take away the powers of State Regulatory Commission and dilute their existence, which is not of healthy development in this Federal System. Instead of creating ECEA, the existing SERCs can be further strengthened by empowering the same powers as in a civil court under the Code of Civil Procedure, 1908 and the existing system and Indian jurisprudence are capable of handling all types of disputes including contracts. As such there is no necessity to create one more authority exclusively for one commodity or service.

Hence, this proposed amendment needs to be dropped.

ಈ ತಿದ್ದುಪಡಿಯ ಮೂಲಕ ವಿದ್ಯುತ್ ಕ್ಷೇತ್ರದಲ್ಲಿನ ಎಲ್ಲಾ ತರಹದ ಗುತ್ತಿಗೆಗಳ/ಒಪ್ಪಂದದ ವಿವಾದಗಳನ್ನು ಬಗೆಹರಿಸಲು ಹೊಸದಾಗಿ ಮತ್ತೊಂದು ಪ್ರಾಧಿಕಾರವನ್ನು ದೆಹಲಿಯಲ್ಲಿ ರಚಿಸಲು ಉದ್ದೇಶಿಸಲಾಗಿದೆ. ಈ ಪ್ರಾಧಿಕಾರದ ಕಾರ್ಯ ವಿಧಾನವು ಈಗಿರುವ ಮೇಲ್ಮನವಿ ನ್ಯಾಯ ಮಂಡಳಿ ಕಾರ್ಯ ವಿಧಾನದಂತೆಯೇ ಇರುತ್ತದೆ. ಈಮೂಲಕ ರಾಜ್ಯದ ನಿಯಂತ್ರಣ ಆಯೋಗದ ಅಧಿಕಾರವನ್ನು ಕಿತ್ತುಕೊಂಡು ಅವುಗಳ ಅಸ್ತಿತ್ವವನ್ನು ದುರ್ಬಲಗೊಳಿಸುವುದರಿಂದ, ಇದು ಒಕ್ಕೂಟ ವ್ಯವಸ್ಥೆಯ ಆರೋಗ್ಯಕರ ಬೆಳವಣಿಗೆಯಾಗಿರುವುದಿಲ್ಲ. ವಿದ್ಯುತ್ ಕ್ಷೇತ್ರದ ಒಪ್ಪಂದದ ವ್ಯಾಜ್ಯಗಳನ್ನು ಬಗೆಹರಿಸಲು ಮತ್ತೊಂದು ಸಂಸ್ಥೆಯನ್ನು ರಚನೆ ಮಾಡುವುದರ ಬದಲು ಹಾಲಿ ಇರುವ ನಿಯಂತ್ರಣ ಆಯೋಗಗಳಿಗೆ ನಾಗರಿಕ ಕಾರ್ಯವಿಧಾನ 1908ರ ಅಧಿಕಾರ ಚಲಾಯಿಸಲು ಬಲ ತುಂಬಬಹುದಾಗಿರುತ್ತದೆ. ಇದಲ್ಲದೆ ಭಾರತದ ನ್ಯಾಯ ಶಾಸ್ತ್ರವು, ಗುತ್ತಿಗೆಗಳ/ಒಪ್ಪಂದದ ವ್ಯಾಜ್ಯಗಳನ್ನು ಸೇರಿಸಿ ಎಲ್ಲಾ ರೀತಿಯ ವ್ಯಾಜ್ಯಗಳನ್ನು ಬಗೆಹರಿಸಲು ಸಮರ್ಥವಾಗಿರುತ್ತದೆ. ಆದ್ದರಿಂದ ಮತ್ತೊಂದು ಪ್ರಾಧಿಕಾರವನ್ನು ಕೇವಲ ವಿದ್ಯುತ್ ಉತ್ಪಾದಾನ ಕ್ಷೇತ್ರದ ವಿವಾದಗಳನ್ನು ಬಗೆಹರಿಸಲು ಸ್ಥಾಪಿಸುವುದು ಸಮಂಜಸವಲ್ಲ ಮತ್ತು ಆರ್ಥಿಕವಾಗಿ ಕಾರ್ಯಸಾಧುವಾಗಿರುವುದಿಲ್ಲ. ಹಾಗಾಗಿ ಈ ತಿದ್ದುಪಡಯನ್ನು ಅವಶ್ಯಕವಾಗಿ ಕೈಬಿಡಬೇಕಾಗಿರುತ್ತದೆ.

Phone 080-222[illegible]37
Telefax : 080-22281049

FEDERATION OF KARNATAKA ELECTRICITY BOARD
EMPLOYEES' UNION AND ASSOCIATIONS
(Reg. No. 1093/96-99)
Office of the KEB Employees' Union, KEB Compound,
Ananda Rao Circle, Bangalore - 560 009

3. **Tariff to be independent of subsidy** (ಸಹಾಯಾಧನವಿಲ್ಲದ ಸ್ವತಂತ್ರ ಜಕಾತಿ) :

The amendment provides the benefit of subsidy to be granted directly to the consumer and the licensee shall charge the consumers as per the tariff determined by the Appropriate Commission. The determination of tariffs shall be fixed by the commission without accounting for subsidies. Further, basis the tariff policies, surcharges and cross subsidies shall be progressively reduced. The concept of DBT would be visible when all the consumers have meters. These are distant as of now and quantification of benefits to each of the beneficiary is therefore impractical. The process of fixing the tariff keeping the subsidy apart will influence the tariff for cross subsidised categories to increase and the poor domestic consumers will have to bear the brunt of the policy. Once the tariff is free from subsidy, the electricity instead of being a common man use would become a luxury commodity and the costly commodity would drive instincts for thefts and will pose additional problems to the distribution segment.

At present the energy is being supplied to farmers IP sets at free of cost. Because of this the National Agricultural production is at its peak. The DBT is decided only on the actual consumption of energy by the farmer and will be credited to his account after he makes payment of energy charges. If this subsidy is removed, the farmers will not be in a position to make the payment thereby the power to their IP sets gets disconnected, leading to failure of crops which in turn cumulatively affect the national agricultural production. When the supply is not given to the farmers, the question of giving subsidy does not arise. Thus, unless the payment is made for the energy, the farmers neither get the subsidy through DBT nor their crops. At present scenario, with free electricity farmers are not getting right full value for their crops if this subsidy is removed and DBT is introduced, then suicide rate of farmers will rapidly increase. This amendment will have serious political and social repercussions. Hence, this proposed amendment needs to be dropped.

ಈ ತಿದ್ದುಪಡಿಯ ಮೂಲಕ ಗ್ರಾಹಕರುಗಳಿಗೆ ನೇರವಾಗಿ ಸಹಾಯಧನವನ್ನು ಒದಗಿಸುವುದು ಮತ್ತು ಸನ್ನದುದಾರರು / ಪರವಾನಿಗೆದಾರರು ಗ್ರಾಹಕರುಗಳಿಂದ ಶುಲ್ಕವನ್ನು ಸೂಕ್ತ ಆಯೋಗವು ನಿರ್ಧರಿಸಿದಂತೆ ಸಂಗ್ರಹಿಸುವುದು ಮತ್ತು ಆಯೋಗವು ಜಕಾತಿ (Tariff) ನಿರ್ಧರಿಸುವಾಗ ಸಹಾಯಧನವನ್ನು ಲೆಕ್ಕಕ್ಕೆ ತೆಗೆದುಕೊಳ್ಳದೆ ನಿರ್ಧರಿಸಬಹುದಾಗಿದೆ. ಮುಂದುವರೆದು ಜಕಾತಿ ನೀತಿಗಳು, ಹೆಚ್ಚುವರಿ ಜಕಾತಿಗಳು

ಮತ್ತು ಸಹಾಯಧನವನ್ನು ಹಂತ ಹಂತವಾಗಿ ಕಡಿಮೆ ಮಾಡಲು ಉದ್ದೇಶಿಸಿದೆ. ಈ ತರಹದ ಪರಿಕಲ್ಪನೆಯು ಎಲ್ಲಾ ಗ್ರಾಹಕರುಗಳು ತಮ್ಮ ಸ್ಥಾವರಗಳಿಗೆ ಮೀಟರ್‌ಗಳನ್ನು ಅಳವಡಿಸಿದಾಗ ಮಾತ್ರ ಸಾಧ್ಯವಾಗಬಹುದು ಮತ್ತು ಕೃಷಿ ಪಂಪ್ ಸೆಟ್‌ಗಳಿಗೆ ಮೀಟರ್ ಹಾಕದೆ ಇರುವುದರಿಂದ ಇದು ಸದ್ಯಕ್ಕೆ ಅಪ್ರಯೋಗಿಕವಾಗಿರುತ್ತದೆ. ಈ ರೀತಿಯಾಗಿ ಸಹಾಯಧನವನ್ನು ಹೊರತುಪಡಿಸಿ ಜಕಾತಿಯನ್ನು ನಿಗದಿಪಡಿಸುವಾಗ ಹಾಲಿ ಇರುವ ಸಬ್ಸಿಡಿ ವರ್ಗಗಳಾದ ರೈತರು ಮತ್ತು ಬಡವರಿಗೆ ಜಕಾತಿಯು ಹೆಚ್ಚಾಗುತ್ತದೆ. ಅದಲ್ಲದೆ ಬಡ ಮನೆಗಳ ಗ್ರಾಹಕರುಗಳು ಈ ನೀತಿಯ ಭಾರವನ್ನು ಭರಿಸಬೇಕಾಗಿರುತ್ತದೆ. ಒಮ್ಮೆ ಸುಂಕವನ್ನು ಸಹಾಯದಿಂದ ಮುಕ್ತಗೊಳಿಸಿದರೆ, ವಿದ್ಯುಚ್ಛಕ್ತಿಯು ಸಾಮಾನ್ಯ ಜನರ ಬಳಕೆಯ ಬದಲಾಗಿ ಐಷಾರಾಮಿಯ ಸರಕಾಗುತ್ತದೆ ಮತ್ತು ದುಬಾರಿ ಸರಕು ಕಳ್ಳತನಕ್ಕೆ ಎಡೆಮಾಡಿಕೊಡುತ್ತದೆ. ಇದರಂದಾಗಿ ವಿತರಣಾ ಕ್ಷೇತ್ರಕ್ಕೆ ಹೆಚ್ಚಿನ ಸಮಸ್ಯೆಗಳು ಉಂಟಾಗುತ್ತವೆ. ಪ್ರಸ್ತುತ ವಿದ್ಯುಚ್ಛಕ್ತಿಯನ್ನು ರೈತರುಗಳಗೆ ಉಚಿತವಾಗಿ ನೀಡುತ್ತಿರುವುದರಿಂದ ರಾಷ್ಟ್ರೀಯ ಕೃಷಿ ಉತ್ಪಾದನೆಯು ಉತ್ತುಂಗದಲ್ಲಿದೆ. ಡಿಬಿಟಿ (DBT)ಯನ್ನು ರೈತರು ನಿಜವಾದ ವಿದ್ಯುತ್ ಬಳಕೆಯ ಮೇಲೆ ನಿರ್ಧರಿಸ ಬೇಕಾಗಿರುವುದರಿಂದ ಮತ್ತು ವಿದ್ಯುತ್ ಶುಲ್ಕವನ್ನು ರೈತರು ಪಾವತಿಸಿದ ನಂತರವೇ ಅವರ ಖಾತೆಗೆ ಎರಡರಿಂದ ಮೂರು ತಿಂಗಳ ಅವಧಿಯ ನಂತರದಲ್ಲಿ ಸಹಾಯಧನವನ್ನು ಜಮೆ ಮಾಡಲಾಗುತ್ತದೆ. ಸಹಾಯಧನವನ್ನು ತೆಗೆದುಹಾಕಿದರೆ, ರೈತರುಗಳು ವಿದ್ಯುತ್ ಶುಲ್ಕವನ್ನು ಪಾವತಿಸುವ ಸ್ಥಿತಿಯಲ್ಲಿ ಇಲ್ಲದಿರುವುದರಿಂದ ಅವರುಗಳ ಪಂಪ್ ಸೆಟ್'ಗಳಗೆ ವಿದ್ಯುತ್ ಸಂಪರ್ಕವನ್ನು ಕಡಿತಗೊಳಿಸಲಾಗುವುದು ಮತ್ತು ಇದರಿಂದಾಗಿ ಬೆಳೆಗಳು ಹಾಳಾಗುತ್ತವೆ. ಹಾಗಾಗಿ ರೈತರುಗಳಿಗೆ ವಿದ್ಯುತ್ತನ್ನು ಕೊಡದೇ ಇರುವಾಗ ಅವರಿಗೆ ಸಹಾಯಧನ ಕೊಡುವ ಪ್ರಶ್ನೆಯೇ ಉದ್ಭವಿಸುವುದಿಲ್ಲ. ಇದು ನೇರವಾಗಿ ರಾಷ್ಟ್ರೀಯ ಕೃಷಿ ಉತ್ಪಾದನೆಯ ಮೇಲೆ ಅಡ್ಡ ಪರಿಣಾಮ ಬೀರುತ್ತದೆ. ಹಾಗಾಗಿ ರೈತರು ವಿದ್ಯುತ್ ಶುಲ್ಕವನ್ನು ಪಾವತಿಸದೇ ಇದ್ದರೆ ವಿದ್ಯುತ್ ನಿಲುಗಡೆಯಿಂದಾಗಿ ಅವರು ಬೆಳೆದ ಬೆಳೆಗಳು ಹಾಳಾಗುತ್ತವೆ ಮತ್ತು ಅವರುಗಳಿಗೆ ಸಹಾಯಧನವು ಸಹ ಸಿಗುವುದಿಲ್ಲ. ಪ್ರಸ್ತುತ ಸನ್ನಿವೇಶದಲ್ಲಿ ರೈತರುಗಳಿಗೆ ಉಚಿತ ವಿದ್ಯುತ್ ಇದ್ದರೂ ಸಹ ಅವರು ಬೆಳೆದ ಬೆಳೆಗಳಿಗೆ ವೈಜ್ಞಾನಿಕವಾಗಿ ಸರಿಯಾದ ಮೌಲ್ಯ ಸಿಗುತ್ತಿಲ್ಲ ಮತ್ತು ಡಿಬಿಟಿ ಅಳವಡಿಸಿದರೆ, ಆಗ ರೈತರ ಆತ್ಮಹತ್ಯೆ ಪ್ರಕರಣಗಳು ಕ್ಷಿಪ್ರ ಪ್ರಮಾಣದಲ್ಲಿ ಏರಿಕೆಯಾಗುತ್ತದೆ. ಅದಲ್ಲದೆ ಈ ತಿದ್ದುಪಡಿಯು ಗಂಭೀರ ರಾಜಕೀಯ ಮತ್ತು ಸಾಮಾಜಿಕ ಪರಿಣಾಮಗಳನ್ನು ಹೊಂದಿರುವುದರಿಂದ ಉದ್ದೇಶಿತ ತಿದ್ದುಪಡಿಯನ್ನು ಕೈಬಿಡಬೇಕಾಗಿರುತ್ತದೆ.

4. **Replacing the State selection committees by a Centralised Selection Committee (ರಾಜ್ಯ ಆಯ್ಕೆ ಸಮಿತಿಗಳನ್ನು ಕೇಂದ್ರೀಕೃತ ಆಯ್ಕೆ ಸಮಿತಿಯಿಂದ ಬದಲಾಯಿಸುವುದು)**:

The amendment proposes constitution of a common 'selection committee to recommend appointments of members for commissions / authorities. This replaces the state selection committees in the state and the central selection committee. The Electricity Act provides provision to make rules to the state government and the state regulatory commission needs to respect the rules, the environment in the state to visualise the way to function as per the provisions of the Electricity Act. This seeks to snatch away the powers of the state government in deciding the constitution of the state regulator which contradicts the federal principles laid down in the country. The proposed selection committee may not have any representative from the respective state. The new selection committee is proposed to be chaired by a judge of the Supreme Court. In such a situation, adding ancillary functions to a Supreme Court judge will either adversely affect the efficacy of the Court or the

Phone . 080-222■537
Telefax : 080-22281049

FEDERATION OF KARNATAKA ELECTRICITY BOARD
EMPLOYEES' UNION AND ASSOCIATIONS
(Reg. No. 1093/98-99)
Office of the KEB Employees' Union, KEB Compound,
Ananda Rao Circle, Bangalore - 560 009

processes in the selection committee. The Chairman/members of SERCs belong to other States cannot understand the intricacies of the power sector of the state. Hence, this proposed amendment needs to be dropped as it would not support the agenda of the state.

ಈ ತಿದ್ದುಪಡಿಯು ಆಯೋಗಗಳ ಪ್ರಾಧಿಕಾರಗಳ ಅಧ್ಯಕ್ಷರು ಮತ್ತು ಸದಸ್ಯರನ್ನು ನೇಮಕಾತಿಗೆ ಶಿಫಾರಸ್ಸು ಮಾಡಲು ಸಾಮಾನ್ಯ ಆಯ್ಕೆ ಸಮಿತಿಯನ್ನು ಪ್ರಸ್ತಾಪಿಸುತ್ತದೆ. ಈ ಪ್ರಸ್ತಾವಿತ ಆಯ್ಕೆ ಸಮಿತಿಯು ರಾಜ್ಯದಲ್ಲಿನ ರಾಜ್ಯ ಆಯ್ಕೆ ಸಮಿತಿಯ ಬದಲಾಗಿ ಮತ್ತು ಕೇಂದ್ರದಲ್ಲಿನ ಕೇಂದ್ರ ಆಯ್ಕೆ ಸಮಿತಿಯ ಬದಲಾಗಿ ಕಾರ್ಯ ನಿರ್ವಹಿಸಬೇಕಾಗಿರುತ್ತದೆ. ಆದರೆ ವಿದ್ಯುಚ್ಛಕ್ತಿ ಕಾಯ್ದೆಯು ರಾಜ್ಯ ಸರ್ಕಾರಕ್ಕೆ ನಿಯಮಗಳನ್ನು ರೂಪಿಸಲು ಅವಕಾಶ ನೀಡುತ್ತದೆ ಮತ್ತು ರಾಜ್ಯದ ನಿಯಂತ್ರಣ ಆಯೋಗವು ಈ ನಿಯಮಗಳನ್ನು ಗೌರವಿಸುವುದರೊಂದಿಗೆ ರಾಜ್ಯದ ಭೌಗೋಳಿಕ ಪರಿಸ್ಥಿತಿಗಳಿಗೆ ಅನುಗುಣವಾಗಿ ವಿದ್ಯುತ್ ಕಾಯಿದೆ ಅನ್ವಯ ಕಾರ್ಯನಿರ್ವಹಿಸುತ್ತಿದೆ. ಆದರೆ ಈ ತಿದ್ದುಪಡಿಯ ಮೂಲಕ ರಾಜ್ಯಗಳಿಗೆ ದತ್ತವಾದ ರಾಜ್ಯದ ನಿಯಂತ್ರಕರನ್ನು ತೀರ್ಮಾನಿಸುವ ಅಧಿಕಾರವನ್ನು ಕಸಿದುಕೊಳ್ಳಲಾಗುತ್ತಿದೆ. ಈ ಉದ್ದೇಶಿತ ಆಯ್ಕೆ ಸಮಿತಿಯಲ್ಲಿ ಆಯಾರಾಜ್ಯಕ್ಕೆ ಸಂಭಂಧಿಸಿದ ಪ್ರತಿನಿಧಿಯೂ ಇಲ್ಲದಿರಬಹುದು. ಈ ಹೊಸ ಆಯ್ಕೆ ಸಮಿತಿಯ ಅಧ್ಯಕ್ಷತೆಯನ್ನು ಸರ್ವೋಚ್ಛ ನ್ಯಾಯಾಲಯದ ನ್ಯಾಯಾಧೀಶರು ವಹಿಸಬೇಕಾಗಿರುತ್ತದೆ. ಇಂತಹ ಪರಿಸ್ಥಿತಿಯಲ್ಲಿ ಸರ್ವೋಚ್ಛ ನ್ಯಾಯಾಲಯದ ನ್ಯಾಯಾಧೀಶರುಗಳಿಗೆ ಪೂರಕ ಕಾರ್ಯಗಳನ್ನು ಸೇರಿಸಿರುವುದರಿಂದ ನ್ಯಾಯಾಲಯದ ಪರಿಣಾಮಕಾರಿ ಅಥವಾ ಆಯ್ಕೆ ಸಮಿತಿಯಲ್ಲಿನ ಪ್ರಕ್ರಿಯೆ ಮೇಲೆ ಪ್ರತಿಕೂಲ ಪರಿಣಾಮ ಬೀರುತ್ತದೆ. ಇದಲ್ಲದೆ ರಾಜ್ಯಕ್ಕೆ ಸೇರದವರು ಎಸ್.ಇ.ಆರ್.ಸಿ (SERC) ಅಧ್ಯಕ್ಷರು ಅಥವಾ ಸದಸ್ಯರುಗಳಾಗಿ ಆಯ್ಕೆಯಾಗುವುದರಿಂದ ರಾಜ್ಯದ ವಿದ್ಯುತ್ ಕ್ಷೇತ್ರದ ಜಟಿಲತೆಗಳನ್ನು ಅರ್ಥಮಾಡಿಕೊಳ್ಳಲು ಸಾಧ್ಯವಿರುವುದಿಲ್ಲ. ಆದ್ದರಿಂದ ಈ ಉದ್ದೇಶಿತ ತಿದ್ದುಪಡಿಯು ರಾಜ್ಯದ ಕಾರ್ಯಸೂಚಿಯನ್ನು ಬೆಂಬಲಿಸದೇ ಇರುವುದರಿಂದ ತಿದ್ದುಪಡಿಯನ್ನು ಕೈಬಿಡಬೇಕಾಗಿರುತ್ತದೆ.

5. **Establishment of secured Payment Security Mechanism** (ರಕ್ಷಿತ ಪಾವತಿ ಭದ್ರತಾ ಕಾರ್ಯವಿಧಾನದ ಸ್ಥಾಪನೆ):

This Amendment proposes a mechanism wherein "no electricity shall be scheduled or despatched under such contract unless adequate security of payment as agreed upon by the parties to the contract, has been provided". As the Gencos are being paid regularly, there may not be alarming number of disputes pending redressal. The recovery mechanism on the consumer side needs to be strengthened by making suitable regulatory interventions like automatic payment by the consumers on the due dates. This makes way to improve the payment perspective to Gencos, even without any extra payment security instruments. The bill openly seeks to give payment security to private companies to enable them to make profit, without regard for the State transmission/distribution companies. This amendment is unscientific and proposed without forethought, because electricity is not a storable commodity. Hence, this proposed amendment needs to be dropped.

ಈ ತಿದ್ದುಪಡಿಯನ್ವಯ, ಒಪ್ಪಂದದಲ್ಲಿರುವಂತೆ ಉಭಯ ಪಕ್ಷಗಳು ಪಾವತಿಯ ಸಾಕಷ್ಟು ಭದ್ರತೆಯನ್ನು ಒದಗಿಸದ ಹೊರತು ಅಂತಹ ಒಪ್ಪಂದದಡಿಯಲ್ಲಿ ವಿದ್ಯುತ್‌ನ್ನು ನಿಗಧಿಪಡಿಸುವುದಕ್ಕಾಗಲಿ ಅಥವಾ ರವಾನಿಸುವುದಕ್ಕಾಗಲಿ ಅವಕಾಶವಿರುವುದಿಲ್ಲ. ಉತ್ಪಾದನಾ ಕಂಪನಿಗಳಿಗೆ ನಿಯಮಿತವಾಗಿ ಹಣ ಪಾವತಿಸಲಾಗುತ್ತಿದ್ದು, ತೀರ್ಮಾನವಾಗದೆ ಇರುವ ವಿವಾದಗಳು ಹೆಚ್ಚಿರುವುದಿಲ್ಲ. ಗ್ರಾಹಕರುಗಳಿಂದ ನಿಗದಿತ ದಿನಾಂಕದೊಳಗೆ ಸ್ವಯಂಚಾಲಿತ ಪಾವತಿಯಂತಹ ನಿಯಂತ್ರಣ ವ್ಯವಸ್ಥೆಗಳನ್ನು ಅಳವಡಿಸಿಕೊಳ್ಳುವುದರ ಮೂಲಕ ಗ್ರಾಹಕರ ಹಣವನ್ನು ಸಂಗ್ರಹಿಸುವ ವಿಧಾನವನ್ನು ಬಲಪಡಿಸುವ ಅವಶ್ಯಕತೆ ಇರುತ್ತದೆ. ಈ ಮೂಲಕ ಉತ್ಪಾದನಾ ಕಂಪನಿಗಳಿಗೆ ಯಾವುದೇ ಹೆಚ್ಚುವರಿ ಪಾವತಿ ಭದ್ರತೆ ಸಾಧನಗಳು ಇಲ್ಲದೆಯೂ ಸಹ, ಪಾವತಿಯನ್ನು ಸುಧಾರಿಸಲು ಎಡೆ ಮಾಡಿಕೊಡುತ್ತದೆ. ರಾಜ್ಯದಲ್ಲಿನ ಪ್ರಸರಣ ವಿತರಣಾ ಕಂಪನಿಗಳ ಸ್ಥಿತಿಗತಿಗಳನ್ನು ಪರಿಗಣಿಸದೆ ಕೇವಲ ಖಾಸಗಿ ಕಂಪನಿಗೆ ಲಾಭಗಳಿಸಲು ಪಾವತಿಯ ಭದ್ರತೆಯನ್ನು ನೀಡಲು ಈ ಮಸೂದೆಯು ಬಹಿರಂಗವಾಗಿ ಪ್ರಯತ್ನಿಸುತ್ತಿದೆ. ವಿದ್ಯುಚ್ಛಕ್ತಿಯನ್ನು ಸಂಗ್ರಹಿಸಿಡಲು ಆಗುವುದಿಲ್ಲ ಎಂಬುದನ್ನು ಪರಿಗಣಿಸದೇ ಅವೈಜ್ಞಾನಿಕವಾಗಿ ಮತ್ತು ದೂರದೃಷ್ಟಿಯಿಲ್ಲದೇ ತಿದ್ದುಪಡಿಯನ್ನು ಪ್ರಸ್ತಾಪಿಸಿರುವುದು ಶೋಚನೀಯ ಹಾಗಾಗಿ ಈ ತಿದ್ದುಪಡಿಯನ್ನು ಕೈಬಿಡಬೇಕಾಗಿರುತ್ತದೆ.

6. **No Security for the Employees working in the State-ownedPower Sector** (ಸರ್ಕಾರಿ ಸ್ವಾಮ್ಯದ ವಿದ್ಯುತ್ ಕ್ಷೇತ್ರದಲ್ಲಿ ಕೆಲಸ ಮಾಡುವ ನೌಕರರಿಗೆ ಯಾವುದೇ ಭದ್ರತೆ ಇಲ್ಲದಿರುವುದು):

Nearly more than 25Lakhs Employees are working in the state owned power sector across the country and nearly more than 25Lakhs pensioners are there in the state owned power sector. The service protection of these many Employees is not brought out in these proposed amendments as such the Employees in dilemma of their future.

ದೇಶಾದ್ಯಂತ ಸರ್ಕಾರಿ ಸ್ವಾಮ್ಯದ ವಿದ್ಯುತ್ ಕ್ಷೇತ್ರದಲ್ಲಿ ಸುಮಾರು 25 ಲಕ್ಷಕ್ಕೂ ಹೆಚ್ಚು ಉದ್ಯೋಗಿಗಳು ಕೆಲಸ ಮಾಡುತ್ತಿದ್ದಾರೆ ಮತ್ತು ಸರ್ಕಾರಿ ಸ್ವಾಮ್ಯದ ವಿದ್ಯುತ್ ಕ್ಷೇತ್ರದಲ್ಲಿ 25 ಲಕ್ಷಕ್ಕೂ ಹೆಚ್ಚು ಪಿಂಚಣಿದಾರರು ಇದ್ದಾರೆ. ಮೇಲೆ ಪ್ರಸ್ತಾವಿಸಿದ ತಿದ್ದುಪಡಿಗಳಲ್ಲಿ ನೌಕರರುಗಳಿಗೆ ಮತ್ತು ಪಿಂಚಣಿದಾರರಿಗೆ ಯಾವುದೇ ಭದ್ರತೆಯು ಇಲ್ಲದಿರುವುದು ವಿಷಾಧನೀಯ ಮತ್ತು ಅವರುಗಳ ಭವಿಷ್ಯಕ್ಕೆ ಮಾರಕವಾಗಿರುವುದರಿಂದ ಈ ಮೇಲಿನ ಎಲ್ಲಾ ತಿದ್ದುಪಡಿಗಳನ್ನು ಕೈಬಿಡಬೇಕಾಗಿರುತ್ತದೆ.

Conclusion (ಸಮಾರೋಪ):

The intentions of the amendments are seen to snatch away the powers of the State Governments/State Regulators and dilute their existence, which is not of healthy development in this Federal System. The creation of ECE authority will not serve any additional purpose but will add to costs at this critical juncture, which the Nation cannot afford. The impact of certain changes tends to make the electricity a luxury rather than a commodity for upliftment of the general public and GDP. Also results in the reduction of the Agriculture Production of the Country and detrimental to the farmers.

Phone . 080-222[illegible]637
Telefax : 080-22281049

FEDERATION OF KARNATAKA ELECTRICITY BOARD
EMPLOYEES' UNION AND ASSOCIATIONS
(Reg No 1093/98-99)
Office of the KEB Employees' Union, KEB Compound,
Ananda Rao Circle, Bangalore - 560 009

These amendments are not towing the future visions of the industry and hence are detrimental to the segment. So far, many experiments made in this sector for distribution franchisee / sub-licensee in many cities across the country and the regulatory commissions were compelled by hard core evidence of failure to cancel the franchisee.

In the light of the above submissions, we request your kind selves to recommend to the Central Government (Ministry of Power) to take necessary actions to drop these proposed amendments to the Electricity Act-2003, as these are neither in the interest of public nor in the interest of power sector.

ಈ ಪ್ರಸ್ತಾವಿತ ತಿದ್ದುಪಡಿಗಳ ಉದ್ದೇಶಗಳು ರಾಜ್ಯ ಸರ್ಕಾರಗಳ ಮತ್ತು ರಾಜ್ಯ ನಿಯಂತ್ರಣಾ ಆಯೋಗಗಳ ಅಧಿಕಾರವನ್ನು ಕಿತ್ತುಕೊಂಡು ಅವುಗಳ ಅಸ್ತಿತ್ವಕ್ಕೆ ಧಕ್ಕೆತರುವುದಾಗಿರುತ್ತದೆ. ಇದು ಒಕ್ಕೂಟ ವ್ಯವಸ್ಥೆಯಲ್ಲಿ ಆರೋಗ್ಯಕರ ಬೆಳವಣಿಗೆಯಾಗಿರುವುದಿಲ್ಲ. ಇಸಿಇ ಪ್ರಾಧಿಕಾರವನ್ನು ಹೊಸದಾಗಿ ರಚಿಸ ಹೊರಟಿರುವುದು ಯಾವುದೇ ಹೆಚ್ಚಿನ ಉದ್ದೇಶವನ್ನು ಈಡೇರಿಸುವುದಂತಾಗಿರುವುದಿಲ್ಲ. ಬದಲಿಗೆ ರಾಷ್ಟ್ರವು ಭರಿಸಲಾಗದ ಈ ನಿರ್ಣಾಯಕ ಹಂತದಲ್ಲಿ ವೆಚ್ಚವನ್ನು ಹೆಚ್ಚಿಸಲಾಗುತ್ತದೆ. ಕೆಲವು ಬದಲಾವಣೆಗಳ ಪರಿಣಾಮವಾಗಿ ವಿದ್ಯುಚ್ಛಕ್ತಿಯು ಸಾರ್ವಜನಿಕ ಮತ್ತು ಜಿಡಿಪಿಯ ಉನ್ನತಿಯ ಬದಲಾಗಿ ಐಷಾರಾಮಿಯ ಸರಕು ಆಗುವುದರೊಂದಿಗೆ ರೈತರುಗಳಿಗೆ ಹಾಗೂ ಅರ್ಥಿಕವಾಗಿ, ಸಾಮಾಜಿಕವಾಗಿ ಹಿಂದುಳಿದ ಗ್ರಾಹಕರುಗಳಿಗೆ ಮಾರಕವಾಗಿ ದೇಶದ ಕೃಷಿ ಉತ್ಪಾದನೆಯೂ ಕುಂಠಿತವಾಗುವದರಲ್ಲಿ ಯಾವುದೇ ಸಂಶಯವಿಲ್ಲ. ಈ ಪ್ರಸ್ತಾವಿತ ತಿದ್ದುಪಡಿಗಳು ದೇಶದ ಉದ್ದಿಮೆಗಳ ಭವಿಷ್ಯಕ್ಕೂ ಹಾನಿಕರವಾಗಿದೆ. ಅದಲ್ಲದೆ ಈಗಾಗಲೇ ದೇಶದ ಅನೇಕ ನಗರಗಳಲ್ಲಿ ವಿದ್ಯುತ್ ವಿತರಣೆಯನ್ನು ಫ್ರಾಂಚೈಸಿ ಮುಖಾಂತರ ನೀಡಲಾಗಿದ್ದು, ಸದರಿ ಫ್ರಾಂಚೈಸಿಗಳು ವಿಫಲವಾಗಿರುವುದರಿಂದ ಕಠಿಣ ಸಾಕ್ಷಾಧಾರಗಳ ಮೂಲಕ ನಿಯಂತ್ರಣ ಆಯೋಗಗಳು ಅವುಗಳನ್ನು ರದ್ದುಗೊಳಿಸಿದ್ದಾರೆ. ಹೀಗಾಗಿ ಈ ವಿಫಲಗೊಂಡ ಮಾರ್ಗಗಳನ್ನು ಅನುಸರಿಸಲು ಪ್ರಯತ್ನಿಸಿರುವುದು ವಿಷಾದನಿಯ..

ಮೇಲಿನ ಸಲ್ಲಿಕೆಗಳ ಬೆಳಕಿನಡಿಯಲ್ಲಿ ಪ್ರಸ್ತಾವಿತ ತಿದ್ದುಪಡಿಗಳು ಸಾರ್ವಜನಿಕ ಹಿತಾಸಕ್ತಿಯಿಂದಾಗಲಿ ಅಥವಾ ವಿದ್ಯುತ್ ಕ್ಷೇತ್ರದ ಹಿತಾಸಕ್ತಿಯಿಂದಾಗಲಿ ಕೂಡಿರುವುದಿಲ್ಲದಿರುವುದರಿಂದ ಪ್ರಸ್ತುತ 2020ರ ವಿದ್ಯುತ್ ಕಾಯ್ದಿಗೆ ಮೇಲೆ ಪ್ರಸ್ತಾಪಿಸಿದ ತಿದ್ದುಪಡಿಯನ್ನು ಕೈಬಿಡಲು ಅಗತ್ಯ ಕ್ರಮಗಳನ್ನು ತೆಗೆದುಕೊಳ್ಳುವಂತೆ ಕೇಂದ್ರ ಸರ್ಕಾರಕ್ಕೆ (ವಿದ್ಯುತ್ ಸಚಿವಾಲಯಕ್ಕೆ) ಶಿಫಾರಸ್ಸು ಮಾಡುವಂತೆ ದಯಾಪರರಾದ ತಮ್ಮನ್ನು ವಿನಮ್ರವಾಗಿ ಪ್ರಾರ್ಥಿಸುತ್ತೇವೆ.

Thanking You /ಗೌರವ ಹಾಗೂ ಆದರ ವಂದನೆಗಳೊಂದಿಗೆ,

ತಮ್ಮ ವಿಶ್ವಾಸಿಗಳು,

(ಶಿವಪ್ರಕಾಶ್. ಟಿ.ಎಂ)	(ಟಿ.ಆರ್. ರಾಮಕೃಷ್ಣಯ್ಯ)
ಮಹಾ ಪ್ರಧಾನ ಕಾರ್ಯದರ್ಶಿ,	ಅಧ್ಯಕ್ಷರು,
ಕ.ವಿ.ಮಂ.ನೌ.ಸಂಘಗಳ ಒಕ್ಕೂಟ.	ಕ.ವಿ.ಮಂ.ನೌ.ಸಂಘಗಳ ಒಕ್ಕೂಟ.
(ಮೊ: 9972444888)	(ಮೊ: 9448073659)

Annexure-4

(60)

ಕರ್ನಾಟಕ ವಿದ್ಯುತ್ ಪ್ರಸರಣ ನಿಗಮ ನೌಕರರ ಸಂಘ (ರಿ.ನಂ. 659)

ಪ್ರಾಥಮಿಕ ಸಮಿತಿ ಚನ್ನಗಿರಿ

ಕ್ರಮಾಂಕ:- 147 ಮೋಬೈಲ್: 9449875447 9731018050	ಕಛೇರಿ ವಿಳಾಸ: ಅಧ್ಯಕ್ಷರು ಮತ್ತು ಕಾರ್ಯದರ್ಶಿಗಳು, ಪ್ರಾಥಮಿಕ ಸಮಿತಿ ಚನ್ನಗಿರಿ. ಕ.ವಿ.ಪ್ರ.ನಿ.ನೌಕರರ ಸಂಘ(659). ದಿನಾಂಕ: 05-10-20

ಜಿ. ಶಿವಕುಮಾರ್
ಮುಖ್ಯಮಂತ್ರಿಯವರ ಅಧೀನ ಕಾರ್ಯದರ್ಶಿ
-1 (ಆಡಳಿತ)

ಗೆ,

ಮಾನ್ಯ ತಹಶಿಲ್ದಾರರು,
ಚನ್ನಗಿರಿ ತಾಲ್ಲೂಕು.

ಮಾನ್ಯರೇ,

ವಿಷಯ: ವಿದ್ಯುತ್ ಸರಬರಾಜು ಕಂಪನಿಗಳ ಖಾಸಗೀಕರಣ ಕಾಯ್ದೆ ವಿರೋಧಿಸುವ ಕುರಿತು.

ಮೇಲ್ಕಂಡ ವಿಷಯಕ್ಕೆ ಸಂಬಂಧಿಸಿದಂತೆ ಕೇಂದ್ರ ಸರ್ಕಾರವು ಜಾರಿಗೆ ತರಲು ಉದ್ದೇಶಿಸಿರುವ ವಿದ್ಯುತ್ ಕಾಯ್ದೆ-2020, ಕಾರ್ಮಿಕ ಕಾಯ್ದೆ-2020 ಮತ್ತು ವಿದ್ಯುತ್ ಸರಬರಾಜು ಕಂಪನಿಗಳ ಖಾಸಗೀಕರಣಗೊಳಿಸುವುದನ್ನು ನಮ್ಮ ಸಂಘವು ಸಂಪೂರ್ಣವಾಗಿ ವಿರೋಧಿಸುತ್ತದೆ, ಏಕೆಂದರೆ ಈ ಕಾಯ್ದೆಗಳು ನೌಕರರಿಗೆ ಮತ್ತು ಕಾರ್ಮಿಕರಿಗೆ ಮಾರಕವಾಗುವುದರ ಜೊತೆಗೆ ಜನಸಾಮಾನ್ಯರಿಗೆ ಮತ್ತು ದೇಶದ ಬೆನ್ನೆಲುಬಾದ ರೈತ ಮಿತ್ರರಿಗೆ ಹೊರೆಯನ್ನುಂಟು ಮಾಡುವುದರಿಂದ ಈ ಕಾಯ್ದೆಗಳು ಜನವಿರೋಧಿ ಧೋರಣೆಯನ್ನು ಹೊಂದಿರುತ್ತವೆ. ಆದ್ದರಿಂದ ಕೇಂದ್ರ ಸರ್ಕಾರದ ಖಾಸಗೀಕರಣದ ನೀತಿಯನ್ನು ಖಂಡಿಸುತ್ತಿರುವ ನಮ್ಮ ಸಂಘದ ಮನವಿಯನ್ನು ರಾಜ್ಯ ಸರ್ಕಾರಕ್ಕೆ ತಲುಪಿಸಬೇಕೆಂದು ತಮ್ಮಲ್ಲಿ ವಿನಂತಿಸಿಕೊಳ್ಳುತ್ತಿದ್ದೇವೆ.

1123
21/10/20

5/10/2020

ತಮ್ಮ ವಿಶ್ವಾಸಿ,

(ಬಿ. ಕೆ. ಭರತ್ ಕುಮಾರ್)
ಕಾರ್ಯದರ್ಶಿಗಳು,
ಕ.ವಿ.ಪ್ರ.ನಿ.ನೌಕರರ ಸಂಘ(659)
ಪ್ರಾಥಮಿಕ ಸಮಿತಿ ಚನ್ನಗಿರಿ.

ದೂರವಾಣಿ ಸಂಖ್ಯೆ / Phone Number 08192-234640
257778
272954
ಫ್ಯಾಕ್ಸ್ / Fax : 08192 - 272957
e-mail:deo.davanagere@gmail.com

ಜಿಲ್ಲಾಧಿಕಾರಿಗಳ ಕಾರ್ಯಾಲಯ, ದಾವಣಗೆರೆ ಜಿಲ್ಲೆ

ಜಿಲ್ಲಾದಳಿತ ಭವನ, ಪ್ಲಾಟ್ ನಂ. ೭೭, ಕರೂರು ಕೈಗಾರಿಕ ಪ್ರದೇಶ, ಹಳೇ ಪಿ.ಬಿ. ರಸ್ತೆ, ದಾವಣಗೆರೆ-೫೭೭ ೦೦೬.

OFFICE OF THE DEPUTY COMMISSIONER, DAVANGERE DISTRICT

Zilladalitha Bhavana, Plot No. 77. Karur Industrial Area, Old P.B. Road, Davangere. Pin Code - 577 006.

ನಂ:ಎಂಎಜಿ(2):ಮನವಿ:ಸಿಆರ್:508/2020-21 ದಿನಾಂಕ:09.10.2020

ಗೆ,

ಸನ್ಮಾನ್ಯ ಮುಖ್ಯಮಂತ್ರಿಯವರ ಆಪ್ತ ಕಾರ್ಯದರ್ಶಿಗಳು,
ಕರ್ನಾಟಕ ಸರ್ಕಾರ,
ವಿಧಾನ ಸೌಧ,
ಬೆಂಗಳೂರು-01.

ಮಾನ್ಯರೇ,

ವಿಷಯ:- ವಿದ್ಯುತ್ ಸರಬರಾಜು ಕಂಪನಿಗಳ ಕಾಯ್ದೆ ವಿರೋಧಿಸಿ ಪ್ರತಿಭಟನೆ ನಡೆಸಿ ಮನವಿ ಸಲ್ಲಿಸಿರುವ ಕುರಿತು.

ಉಲ್ಲೇಖ:- ತಹಶೀಲ್ದಾರ್ ಚನ್ನಗಿರಿ ತಾಲ್ಲೂಕು ಇವರ ಪತ್ರ ಸಂಖ್ಯೆ:ಎಂ.ಎ.ಜಿ ಸಿಆರ್-77/2020-21 ದಿನಾಂಕ06-10-2020

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ಮೇಲ್ಕಂಡ ವಿಷಯಕ್ಕೆ ಸಂಬಂಧಿಸಿದಂತೆ ವಿದ್ಯುತ್ ಸರಬರಾಜು ಕಂಪನಿಗಳ ಕಾಯ್ದೆ ವಿರೋಧಿಸಿ ಪ್ರತಿಭಟನೆ ನಡೆಸಿ ಮನವಿ ಸಲ್ಲಿಸಿರುವ ಕುರಿತು ಕರ್ನಾಟಕ ವಿದ್ಯುತ್ ಪ್ರಸರಣ ನಿಗಮ ನೌಕರರ ಸಂಘ ಪ್ರಾಥಮಿಕ ಸಮಿತಿ ಚನ್ನಗಿರಿ ಇವರು ತಹಶೀಲ್ದಾರ್ ಚನ್ನಗಿರಿ ತಾಲ್ಲೂಕು ಇವರ ಮುಖಾಂತರ ಈ ಕಾರ್ಯಾಲಯಕ್ಕೆ ಮನವಿ ಸಲ್ಲಿಸಿರುತ್ತಾರೆ.

ಪ್ರಯುಕ್ತ, ಉಲ್ಲೇಖಿತ ಮನವಿಯನ್ನು ಈ ಪತ್ರಕ್ಕೆ ಲಗತ್ತಿಸಿ ಸಲ್ಲಿಸುತ್ತಾ, ಮನವಿಯನ್ನು ಅಂಶಗಳ/ಬೇಡಿಕೆಗಳ ಬಗ್ಗೆ ಮಾನ್ಯರ ಅವಗಾಹನೆಗೆ ತರಲು ಕೋರಿದೆ.

ತಮ್ಮ ವಿಶ್ವಾಸಿ,

(ಪೂಜಾರ ವೀರಮಲ್ಲಪ್ಪ)
ಅಪರ ಜಿಲ್ಲಾಧಿಕಾರಿ,
ದಾವಣಗೆರೆ ಜಿಲ್ಲೆ.

cm\ 508/20

ಕರ್ನಾಟಕ ಸರ್ಕಾರ

ತಹಶೀಲ್ದಾರ್‌ರವರ ಕಾರ್ಯಾಲಯ ಚನ್ನಗಿರಿ ತಾಲ್ಲೂಕು, ಚನ್ನಗಿರಿ

ನಂ.ಎಂ.ಎ.ಜಿ./ಸಿ.ಆರ್/ 777 2020–21 ದಿನಾಂಕ 06.10.2020

ಗೆ,

ಮಾನ್ಯ ಜಿಲ್ಲಾಧಿಕಾರಿಗಳು
ದಾವಣಗೆರೆ ಜಿಲ್ಲೆ,
ದಾವಣಗೆರೆ

Comp. No E140595

ಮಾನ್ಯರೇ,

08 OCT 2020

ವಿಷಯ : ವಿದ್ಯುತ್ ಸರಬರಾಜು ಕಂಪನಿಗಳ ಕಾಯ್ದೆ ವಿರೋಧಿಸಿ ಪ್ರತಿಭಟನೆ ನಡೆಸಿ ಮನವಿ ಸಲ್ಲಿಸಿರುವ ಬಗ್ಗೆ

J.H.M
VS

ಉಲ್ಲೇಖ : ಬಿ.ಕೆ. ಭರತ್ ಕುಮಾರ್, ಕಾರ್ಯದರ್ಶಿಗಳು, ಕ.ವಿ.ಪ್ರಾ.ನಿ ನೌಕರರ ಸಂಘ(659) ಪ್ರಾಥಮಿಕ ಸಮಿತಿ, ಚನ್ನಗಿರಿ ಇವರ ಮನವಿ ದಿನಾಂಕ 05.10.2020

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ಮೇಲ್ಕಂಡ ವಿಷಯಕ್ಕೆ ಸಂಬಂಧಿಸಿದಂತೆ ಕೇಂದ್ರ ಸರ್ಕಾರವು ಜಾರಿಗೆ ತರಲು ಉದ್ದೇಶಿರುವ ವಿದ್ಯುತ್ ಕಾಯ್ದೆ-2020 ಕಾರ್ಮಿಕ ಕಾಯ್ದೆ-2020 ಮತ್ತು ವಿದ್ಯುತ್ ಸರಬರಾಜು ಕಂಪನಿಗಳ ಖಾಸಗೀಕರಣಗೊಳಿಸುವುದನ್ನು ವಿರೋಧಿಸಿ ಪ್ರತಿಭಟನೆ ನಡೆಸಿ ಉಲ್ಲೇಖ ಪತ್ರದಂತೆ ಮನವಿ ಸಲ್ಲಿಸಿರುತ್ತಾರೆ.

ಆದ್ದರಿಂದ ಈ ಪತ್ರದೊಂದಿಗೆ ಮೂಲ ಉಲ್ಲೇಖ ಪತ್ರವನ್ನು ಲಗತ್ತಿಸಿ ತಮ್ಮ ಮುಂದಿನ ಅವಗಾಹನೆಗೆ ಸಲ್ಲಿಸಿದೆ.

ತಮ್ಮ ವಿಶ್ವಾಸಿ
7/10
ತಹಶೀಲ್ದಾರ್
ಚನ್ನಗಿರಿ ತಾಲ್ಲೂಕು

Annexure-5a

Mahendra Jain, I.A.S.,
Additional Chief Secretary to Government
Energy Department

Karnataka Government Secretariat
Room No. 236, 2nd Floor, Vikasa Soudha
Dr. Ambedkar Veedhi, Bengaluru - 560 001.

NO.EN/ACS/236/2020

Dated:05.06.2020

Respected Sir,

Sub: Draft Electricity Amendment Bill 2020 for comments- Reg.

We heartily welcome the initiative taken by Government of India in proposing several progressive Amendments to the Electricity Act, 2003. The power sector is witnessing rapid transformation and it is imperative that, we have to respond dynamically and proactively to the challenges faced by various stakeholders in the sector. I, however, would like to draw your kind attention to some matters of concern to our State in respect of the proposed Draft Electricity Amendment Bill 2020:

1) **Section 109A to 109N:- Formation of "Electricity Contract Enforcement Authority" (ECEA):-**

The amendment to this Section seeks to centralise enforcement of all contractual issues with a single entity. Decentralisation, delegation is the key to efficient and effective decision making as well as dispute resolution. The circumstances governing the disputes vary widely from State to State and it should be left to the State Government agencies to try & resolve the issue amicably rather than expecting one ubiquitous and singular authority to resolve large number of disputes pertaining to wide variety of numerous cases from across the country.

The number of disputes also may further increase by transferring power purchase litigations across all States to a central authority. There is also an inherent risk in it of enabling the financially strong stakeholders to secure and influence litigations at one place. It may also cause more hardship for smaller litigants as they have to approach the Central authority instead of approaching the State Commission, which is presently, within their easy access. The amendment also is contrary to the general endeavour of taking the adjudicatory body nearer to the place of the litigant and making judicial remedy more easily accessible to the litigant. It is also likely to increase the burden of the Centralised entity (ECEA).

Approaching the ECEA even for the pettiest issues to be resolved will not only incur huge cost of travel and other expenditure for parties & the State entities, but also lead to the issues being resolved by an agency not fully aware of the complexities of the peculiar situations in the State.

Tel. : +91-80-2225 2373 / 2203 4848 Fax : +91-80-2235 3952 E-mail : prs.energy@gmail.com

Already, the SERCs are performing the contract enforcement functions and have not pleaded their inability to handle the load of disputes. There may, therefore not be, any need for divesting SERCs of their powers and centralising such powers with ECEA. Further, by virtue of Section 86 of the Electricity Act, 2003, as it exists now, all issues between licensees and generating companies are resolved by the State Commission or at their discretion, the matter could be resolved by way of Arbitration. The power of the Authority as indicated in Section 109 A (2) is also encompassing and includes all contracts for sale, purchase or transmission of electricity. An authority of such nature is likely to create more litigation. It is to be noted that the disputes in respect of contracts are complex in nature and in most of the situations, it will not be purely a question of enforcement of contract and there will be other Regulatory nuances to the issues as part of the dispute.

The powers proposed to be given to ECEA may be vested with the SERCs for effective functioning of the SERCs (having advantages of knowing the State specific issues) in each State instead of having a single ECEA.

SERCs were constituted not merely for determination of tariff but to determine and 'regulate' all matters pertaining to the State. Taking away the dispute resolution power from SERC will weaken the authority of SERC who have functioned reasonably well this far. We urge you to consider strengthening the SERCs rather than create a new Authority.

2) **Section 62 & 65: - Subsidy to be passed on directly to the consumers:-**

While the concept of passing on subsidy directly to the consumers in a normal situation is preferable, but in case of electricity supply, it may have some difficulties. The system of passing on cross subsidy directly to the consumers can be operated in a situation where all installations of the subsidized category are metered, regular bills are issued and revenue collected by DISCOMs regularly. Having regard to the fact that many installations of subsidized category are not metered, the proposed system is likely tocreate more problems than it is hoped to resolve. Till such regime is brought into force, the proposed Amendment would be premature and unworkable. It is also likely to result in further financial losses to the DISCOMs.

The idea, per se, of providing subsidy directly to the consumer is welcome, but there needs to be a proper mechanism to ensure that the DISCOMs realise the billed amount before the subsidy is released to such consumers. This mechanism is not fully in place in almost all the States across the Country, as the subsidised consumers are not provided with

meters and billed because of resistance on their part. It may not be either realistic or politically feasible to install meters to the farmers, nor to give what will be reduced quantum of subsidy to the farmers who have enjoyed free power supply for agriculture. Free Electricity reduces the input cost to the farmers and hence makes farming viable, in an indirect way. To discontinue this abruptly will not be acceptable to farmers and may even have inflationary impact on food prices.

If the Direct Benefit Transfer (DBT) amount goes directly to the consumers, at reduced rates, there is bound to be resentment amongst the subsidised category of consumers.And, if the consumer does not pay his dues to the DISCOMs, the finances of DISCOMs will further deteriorate. The DISCOMs are barely managing to keep the operations going, with the support of subsidy they receive from the State Government. If their subsidy does not reach them, they will find it impossible to pay the power purchase dues and thereby it will affect the supply of uninterrupted power to all categories of consumers.

The States may need more time to persuade the subsidised category consumers to comply with the mandatory requirement of metering. There would be serious difficulty in implementing Direct Benefit Transfer in the Electricity Sector and as of now, it should be left up to the State Government to decide the mode of payment of such subsidies.

3) **Section 42, 61: - the Act proposes Cross subsidy and surcharge to be reduced as per Tariff Policy:-**

While we agree that cross-subsidy leads to higher tariff to some categories of consumers unfairly, it is also requested that the cross subsidy needs to be reduced, in a phased manner, duly considering the Socio- economic conditions of different category of consumers in the State, which may vary from State to State. This decision, therefore, should be left with the State Commissions' alone rather than adopting uniform reduction of cross - subsidies through Tariff policy.

In the circumstances, either the original provision with the word 'progressively' may is to be retained or a phased time frame is to be provided rather than abruptly dropping the principle of cross-subsidisation. Non consideration of the same would lead to tariff shock to certain category of consumers (low paying capacity consumers) and the same may not be in the interest of the State and low paying consumers.

4) **Section 78:- The powers of selection of the SERC Chairperson&Members shall be vested with the respective States:-**

The proposed amendment may amount to taking away the right of the State Government from having any say in the selection of the Chairperson and Members of the State Commission. There is no safeguard built into the provisions of selections which would ensure that the persons who are selected to the State Commission will be either persons from the State itself or that they are persons who have intimate knowledge of the power sector of the State. Therefore, such an amendment vesting all powers to appoint Chairpersons, Members is likely to be against the interest of the states and counterproductive. The statement of reasons is also silent about the object behind such change being brought about, curtailing the powers of the State Government to appoint persons as per the well-established procedure in place.

Therefore, it is important to retain the present provision of giving State Government the right to appoint the Chairperson and Members of the State Commission. This power should not be taken away by a central agency as it may lead to various complexities and issues.The State Government should have the deciding role in the selection.

Hence, we request that Section 85 may be retained in its present form.

5) **Section 28,32:-Proviso for ensuring Payment security Mechanism before Scheduling the Generation:-**

Introduction of such an onerous provision is not in the interest of the sector and specially not in the interest of the financial health of the DISCOMs. The financial position of the DISCOMs across all the States in the Country is already very poor owing to the following complex set of facts:

- Based on the socio economic conditions of certain category of consumers, the States are extending considerable subsidies, especially to the Agricultural consumers and below poverty line (BPL) consumers. This situation, while a decision of the State Government, is not something which can be changed or reversed easily.

- Must run status provided to RE generators is detrimental to DISCOMs, as the high paying consumers such as HT Industries and Commercial Entities are attracted to avail Open Access for their energy requirement

from RE sources resulting in further continuously increasing loss to DISCOMs.

- The DISCOMs are having long term PPA with the State owned/central generators and IPPs and have to pay the generators the fixed charges as per PPA, even though the energy is not utilised from such generators owing to cheaper sources of energy now available.

- Revenue realisation from the Government undertakings such as Urban Local Body (ULB- Municipalities) and Rural Local Body (RLB-Panchayats) on a regular basis is very difficult. This has resulted in mounted dues to the DISCOMs leading to cash flow (liquidity) crisis.

It is not that DISCOMs are functioning inefficiently. Theemployeecost in DISCOMs is only 13 to 14% whereas the power purchase cost is 70%. It is the power purchase cost which needs to be reduced to make DISCOMs financially viable. One way of doing this would be to provide a way of Exit from long term PPAs, significantly reducing the fixed charges payable to GENCOS, move to short term market regime for power purchase by DISCOMs, reducing the late payment surcharge (LPS) from exorbitant 18% to the MCLR and so on.

Because of all these complexities, the finances of DISCOMS are getting worse day by day. The sudden introduction of this proviso would result in further hardship to DISCOMs, as the lowest cost power may not be scheduled for want of payment security mechanism. Banks are not extending LCs to certain DISCOMS due to their credit rating. The credit rating is low not due to inefficiencies or any other fault of theirs but due to structural and inherent issues of the power sector, where DISCOMS have to provide subsidised or free power without adequate compensation, as a result of which, they owe moneys to power-producers and power-producers owe moneys to financial institutions etc. Comprehensive reforms are needed to sort this vicious cycle, which this amendment is not likely to achieve. Unless and until the payment security to the DISCOMs is ensured, such proviso may not be introduced in the interest of health of DISCOMs.

6) **Section 26, clause (6) powers of NLDC** - The Roles and Responsibilities of NLDC, RLDC and SLDC:-

The Roles and Responsibilities of NLDC, RLDC and SLDC at the hierarchical level are mandated only to ensure secured grid operation with good reliability and security. NLDC should perform an advisory role and provide technical support rather than mandating that SLDC etc. shall comply with the directions issued by the NLDC.

Such overall control given to NLDC would result in infringing upon the SLDC powers in day to day operation of the grid. The NLDC and RLDC should only exercise the powers which are advisory in nature in respect of technical issues, grid security and reliability. It may not be proper for the NLDC and RLDC to treat SLDC as a subordinate entity which is against the enshrined principle of federal structure of functioning for an item which is in concurrent list.

Hence, the modifications suggested to the clause may be adopted.

The clause-wise comments/views of our State on the proposed Draft Electricity Amendment Bill2020, with rationale, are enclosed as Annexure for ready reference.

We urge you to kindly consider our inputs and make necessary changes in the proposed Bill.

With kind regards,

Yours sincerely,

05/06

(MAHENDRA JAIN)

Shri Sanjiv Nandan Sahai, IAS,
Secretary to Government of India,
Ministry of Power,
Shram Shakti Bhavan, Rafi Marg,
New Delhi-110001.

Annexure - 5b

Sl. No.	Draft Electricity (Amendment) Bill 2020	Views/comments	Rationale
2.	**Section 1:** **In sub-section (2) of Section 1** of the Electricity Act, 2003 (herein after referred as "the principal Act"), the words "except the State of Jammu and Kashmir" shall be omitted.	This amendment enables pan India application of the statute	
3.	**Section 2:** **In clause (11),** after the words "or Appropriate Commission" and beforethe words "or the Appellate Tribunal", the words **"or Electricity Contract Enforcement Authority" shall be inserted;**	The words **"or Electricity Contract Enforcement Authority" may be deleted.**	Since, the State Government is not in favour of constitution of the ECEA as provided in the Section 109, in the first instance, this amendment becomes infructuous.
	after clause (15), the following **new clause shall be inserted,** namely:— **"(15a)** "Cross border trade of electricity" means transactions involving import or export of electricity between India and any other country and includes transactions related to passage of electricity through **our country** in transit between two other countries;";	The words "**Our Country**" may be replaced by " **India**"	
	after clause (17), the following **clause shall be inserted,** namely:- **"(17a) "Distribution sub-licensee"** means a person recognized as suchand authorized by the distribution licensee to distribute electricity on its behalf in a particular area within its area of supply, with the permission of the appropriate State Commission. Any reference to a	When the bill is not insisting on obtaining separate license for **"Distribution sub-licensee"**, the relevance of terming the entity as **"Distribution sub-licensee"** may not be appropriate.	While subletting the distribution business to another agency, there shall be clarity on their roles and responsibilities with regard to Capex and Opex.

	distribution licensee under the Act shall include a reference to a sub-distribution licensee;" **after clause (24),** the following clause **shall be inserted,** namely:— "**(24a) "Electricity Contract Enforcement Authority"** means an Electricity Contract Enforcement Authority referred to in sub-section (1) of section 109A". **for clause (27),** the following clause shall be **substituted,** namely:- "**(27)** "**franchisee** means a person recognized as such and authorized bya distribution licensee to distribute electricity on its behalf in aparticular area within his area of supply, under information to the appropriate State Commission. Subject to the provisions of the agreement entered into between the distribution licensee and the franchisee, any reference to a distribution licensee in the Act shall include a franchisee;";	Further clarity on **Capex and Opex** of the area under **Distribution sub-licensee** needs to be provided. Also, clarity on safety aspects of Men, Material and livestock in the **Distribution sub-licensee** area needs to be brought out.	In case of an accident in the **Distribution sub-licensee area,** roles/responsibilities of the Distribution Licensee and **Distribution sub-licensee** are to be clearly brought out.
	for clause (43), the following shall be **substituted,** namely:- "**(43)"Member"** means the Member of the Appropriate Commission or Authority or Joint Commission, or Electricity Contract Enforcement Authority or the Appellate Tribunal, as the case may be, and includes the Chairperson of such Commission or Electricity Contract Enforcement Authority or Authority or Appellate Tribunal;".	Inclusion of Electricity Contract Enforcement Authority is not required in view of the suggestions made under Part XA in section 109 A.	Since, the State Government is not in favour of constitution of the ECEA as provided in the Section 109, in the first instance, this amendment becomes infructuous. Please refer to the comments on Chapter 10 (109 A to 109 N).

4	**Section 3** **After Section 3** of the Principal Act, the following **section shall be inserted,** namely:- **"3A National Renewable Energy Policy**-The Central Government may, from time to time, after such consultation with the State Governments, as may be considered necessary, prepare and notify a National Renewable Energy Policy for the promotion of generation of electricity from renewable sources of energy and prescribe a minimum percentage of purchase of electricity from renewable and hydro sources of energy.".		
5	**Section 14** i) **for the seventh proviso,** the following proviso **shall be substituted,** namely:- "Provided also that a franchisee shall not be required to obtain any separate license from the appropriate State Commission and such distribution licensee shall continue to remain responsible for distribution of electricity in its area of supply:"; ii) After the seventh proviso, the following **proviso shall be inserted,** namely:- "Provided also that a distribution sub-licensee shall not be required to obtain any separate license from the appropriate State Commission:".	When the bill is not insisting obtaining separate license for **"Distribution sub-licensee",** the relevance of terming the entity as **"Distribution sub-licensee"** may not be appropriate. Further clarity on **Capex and Opex** of the area under **Distribution sub-licensee** needs to be provided. Also, clarity on safety aspects of Men, Material and live stock in the **Distribution sub-licensee** area needs to be brought out.	While subletting the distribution business to another agency, there shall be clarity on their roles and responsibilities with regard to Capex and Opex. In case of an accident in the **Distribution sub-licensee area,** roles/responsibilities of the Distribution Licensee and **Distribution sub-licensee** are to be clearly brought out.

		While the SOR indicates that enabling provisions have been proposed under Sections 126, 135 and 164 to clarify the issues pertaining to distribution sector, however, no changes in such sections have been proposed.	Without the enabling provisions in **Sections 126, 135 and 164**in line with the Amendments for inclusion of **Distribution sub-licensee** and **franchisee** implementation of the sub letting distribution business would is difficult and may lead to lot of confusions.
6	**Section 26** after **sub-section (3)**, the following sub-sections shall **be inserted**, namely:- "**(4) the National Load Despatch Centre** shall **(a)** be responsible for optimum scheduling and despatch of electricity in the country across different regions in accordance with the contract entered into with the licensees or the generating companies; **(b)** monitor grid operations; **(c)** exercise supervision and control over the inter-regional and inter-state transmission network; and **(d)** have overall authority for carrying out real time operations of the National grid. **(5)** The National Load Despatch Centre may give such directions and exercise such supervision and control as may be required for the **safety and security of the national grid and for ensuring the stability of** grid operation throughout the country.		The Roles and Responsibilities of NLDC, RLDC and SLDC at the hierarchical level are mandated only to ensure secured grid operation with good reliability and security. NLDC should perform an advisory role and provide technical support rather than mandating that SLDC etc., shall comply with the directions issued by the NLDC. Such overall control given to NLDC would result in infringing upon the SLDC powers in day to day operation of the grid. The NLDC and RLDC should only exercise the powers which are advisory in nature in respect of technical issues, grid security and reliability. It may not be proper for the NLDC and RLDC to treat SLDC as a subordinate entity which is against the enshrined principle of federal structure of functioning for an item which is in concurrent list.

		(6) Overarching centralised powers to NLDC or Central Government is not in the spirit of subjects under concurrent list of the Constitution. SLDCs should be allowed autonomy to act within their jurisdiction as they handle the day to day operations.	Hence, the modifications suggested to the clause may be adopted.
	(6) Every Regional Load Despatch Centre, State Load Despatch Centre, licensee, generating company, generating station, sub-station and any other person connected with the operation of the power system shall comply with the directions issued by the National Load Despatch Centre.".	Hence, (6) may be modified as: Every Regional Load Despatch Centre, ISTS licensee, ISGS generating station, ISTS sub-station and any other person connected to ISTS Network shall comply with the directions issued by the National Load Despatch Centre".	
7	**Section 28** the following proviso shall **be inserted in clause (a) of sub-section (3),** namely:- "**Provided** that no electricity shall be scheduled or despatched under such contract unless adequate security of payment, as agreed upon by the parties to the contract, has been provided".	**The proposed proviso shall be dropped.** Providing LC is already a part of the Standard PP agreement entered into by the generator and DISCOMs, in case of default, the same will be dealt with by the respective parties of the agreement appropriately.	Introduction of such an onerous provision is not in the interest of the sector and specially not in the interest of the financial health of the DISCOMs. The financial position of the DISCOMs across all the States in the Country is already very poor owing to the following facts: Based on the socio economic conditions of certain category of consumers, the States are extending the subsidies, especially to the Agricultural consumers and below poverty line (BPL) consumers. **Must run status** provided to RE generators is detrimental to DISCOMs, as the high

			paying consumers such as HT Industries and Commercial Entities are attracted to avail Open Access for their energy requirement from RE sources resulting in further continuously increasing losses to DISCOMs. The DISCOMs are having long term PPA with the State owned / Central generators and IPPs and have to pay the generators the fixed charges as per PPA, even though the energy is not utilised from such generators owing to cheaper sources of energy now available. Further, revenue realisation from the Government undertakings such as Urban Local Body (ULB- Municipalities) and Rural Local Body (RLB- Panchayats) on a regular basisis very difficult. This has resulted in mounted dues to the DISCOMs leading to cash flow (liquidity) crisis. Because of all these complexities, burden of debt servicing is increasing day by day. The sudden introduction of this proviso would result in further hardship to DISCOMs. Unless and until the payment security to the DISCOMs is ensured, such proviso may not be introduced.

8	**Section 32** the following proviso **shall be inserted in clause (a) of sub-section (2),** namely:- **"Provided** that no electricity shall be scheduled or despatched under such contract unless adequate security of payment, as agreed upon by the parties to the contract, has been provided".	To empower load despatch Centre to oversee the establishment of adequate payment security mechanism before scheduling despatch of electricity is not acceptable. As a Payment security mechanism (PSM), the requirement of Providing of LC is already a part of the Standard PP agreement entered into by the generator and DISCOMS. Any defaults will be dealt with by the respective parties of the agreement which is felt sufficient to ensure the PSM. This being a bilateral issue, involvement of such parties who are not part of the original agreement to exercise/regulate the terms of agreement may not be suitable.	Introduction of such an onerous provision is not in the interest of the sector and specially not in the interest of the financial health of the DISCOMs. The financial position of the DISCOMs across all the States in the Country is already very poor owing to the following facts: Based on the socio economic conditions of certain category of consumers, the States are extending the subsidies, especially to the Agricultural consumers and below poverty line (BPL) consumers. **Must run status** provided to RE generators is detrimental to DISCOMs, as the high paying consumers such as HT Industries and Commercial Entities are attracted to avail Open Access for their energy requirement from RE sources resulting in further continuously increasing losses to DISCOMs. The DISCOMs are having long term PPA with the State owned / Central generators and IPPs and have to pay the generators the fixed charges as per PPA, even though the energy is not utilised from such generators owing to cheaper sources of energy now available.

			Further, revenue realisation from the Government undertakings such as Urban Local Body (ULB- Municipalities) and Rural Local Body (RLB- Panchayats) on a regular basis is very difficult. This has resulted in mounted dues to the DISCOMs leading to cash flow (liquidity) crisis. Because of all these complexities, burden of debt servicing is increasing day by day. The sudden introduction of this proviso would result in further hardship to DISCOMs. Unless and until the payment security to the DISCOMs is ensured, such proviso may not be introduced.
9	**Section 38** **for sub-clause (ii) of clause (d) of subsection**(2) including the provisos, the following **shall be substituted,** namely:- "**(ii)** any consumer as and when such open access is provided by the State Commission under sub-section (2) of section 42, on payment of the transmission charges, as may be specified by the Central Commission and a surcharge, as may be specified by the State Commission under sub-section (2) of section 42, if required by the Appropriate Commission to be **collected by it**".	**To be modified as:** "**(ii)** any consumer as and when such open access is provided by the State Commission under sub-section (2) of section 42, on payment of the transmission charges **to the CTU/ISTS**, as may be specified by the Central Commission and a surcharge to be **collected by Distribution licensee**, as may be specified by the State Commission under sub-section (2) of section 42, if required by the Appropriate Commission.".	In the open access transactions, the CTU or STU needs to receive only the transmission charges, whereas the Surcharge will be levied and collected by the DISCOMs as determined by the SERCs. The amendment suggested may be adopted for clarity.

10	**Section 39** for **sub-clause (ii)** of **clause (d)** of **subsection(2)** including the provisos, the following shall be substituted, namely:- "(ii) any consumer as and when such open access is provided by the State Commission under sub-section (2) of section 42, on payment of the transmission charges, as may be specified by the State Commission and a surcharge, as may be specified by the State Commission under sub-section (2) of section 42, if required by the State Commission to be **collected by it**.".	**To be modified as:** "(ii) any consumer as and when such open access is provided by the State Commission under sub-section (2) of section 42, on payment of the transmission charges **to STU**, as may be specified by the State Commission and a surcharge **to be collected by Distribution Licensee**, as may be specified by the State Commission under sub-section (2) of section 42, if required by the State Commission".	In the open access transactions, the CTU or STU needs to receive only the transmission charges, whereas the Surcharge will be levied and collected by the DISCOMs as determined by the SERCs. The amendment suggested may be adopted for clarity
11	**Section 40** for sub-clause **(ii) of clause (d) of subsection (2) including the provisos, the following shall be substituted,** namely:- "(ii) any consumer as and when such open access is provided by the State Commission under sub-section (2) of section 42, on payment of the transmission charges and a surcharge, as may be specified by the Appropriate Commission.".		
12	**Section 42** i) for the first proviso to sub-section (2), the **following shall be substituted,** namely:- "Provided that such open access shall be allowed on payment of a surcharge, and charges for wheeling, as may be determined by the State Commission in addition to the charges for intra-state transmission, as determined under		The cross subsidy needs to be reduced in a phased manner duly considering the Socio-economic conditions of different category of consumers in the State which may vary from State to State. This discretion therefore should be left with the State Commissions' alone rather than adopting uniform reduction through tariff policy.

	section 39, if applicable, and charges for inter-state transmission, as determined by the Central Commission under section 38, if applicable:"; ii) for the third proviso to **sub-section (2), the following shall be substituted,** namely:- "Provided also that such surcharge and cross subsidies shall be progressively reduced by the State Commission in the manner as maybe provided in the Tariff Policy:"; **iii) after the fourth proviso to sub-section (2), the following proviso shall be inserted,** namely:- "**Provided** also that the manner of payment and utilization of the surcharge shall also be specified by the State Commission".	**shall be retained as** "Provided also that such surcharge and cross subsidies shall be progressively reduced in the manner as may be specified by the State Commission" **The existing 2nd proviso contradicts the newly introduced 4th proviso in terms of manner of utilisation of surcharge.**	Based on the Socio-economic conditions of the category of consumers to pay the Electricity charges, the Tariff Structurehas been categorised by the States and the State Commissions' try to strike a balance between Actual cost of Supply (ACS) and Annual Revenue requirement (ARR) of the DISCOMs. To achieve this, the State Commissions' make high paying capacity customers to pay higher charges per unit of energy consumed so that, such cost paid over and above the average cost of supply will be adjusted to the gap created by low paying capacity customers. **Drastic reduction of cross subsidy levels would result in tariff shock to the low paying capacity consumers.** Hence, Amendment to this proviso needs to be dropped. **This should be left entirely to the State Commission.**

13	**Section 49** the following **shall be substituted,**namely:- **"49. Agreement with respect to supply or purchase or transmission of electricity).-** **(1)** A generating company or a licensee may enter into an agreement with a licensee for supply, purchase or transmission of electricity on such terms and conditions, as may be agreed upon by them, including tariff and adequate security of payment consistent with the provisions of this Act. **(2)** Where the Appropriate Commission has allowed open access to certain consumers under section 42, such consumers, notwithstanding the provisions contained in clause (d) of sub-section (1) of section 62, may enter into an agreement with any person for supply or purchase of Electricity on such terms and conditions (including tariff) as may be agreed upon by them".		
14	**After section 49** of the principal Act, the following **section shall be inserted,** namely:- **"49A: Cross Border Trade of Electricity –** **(1)** The Central Government may prescribe rules and issue guidelines for allowing and facilitating cross border trade of electricity in accordance with the provisions of this Act. **(2)** The Central Government may require the Central Commission to make regulations for cross border trade of electricity".		

15	**Section 61** i) In **clause (g)**, the word "progressively" shall be omitted and for the words "specified by the Appropriate Commission" the words **"as provided in the Tariff Policy" shall be substituted;** ii) **Inclause (h)**, after the words "from renewable" and before the words "sources of energy", the words "and **hydro"** shall be **inserted.** iii) In **clause (i)**, after the words "tariff policy", the words "and **National Renewable Energy Policy" shall be inserted.**	**Instead of omitting the word "Progressively', it is proposed to indicate a certain time period for tariff to reach the cost of supply, as omitting "Progressively', may result in tariff Shock to certain categories of consumers.**	The cross subsidy needs to be reduced in a phased manner duly considering the Socio-economic conditions of different category of consumers in the State which may vary from State to State. This decision therefore should be left with the State Commissions' alone rather than adopting uniform reduction of cross subsidies through tariff policy. Based on the Socio-economic conditions of the category of consumers to pay the Electricity charges, the Tariff Structure has been categorised by the States and the State Commissions' try to strike a balance between Actual cost of Supply (ACS) and Annual Revenue requirement (ARR) of the DISCOMs. To achieve this, the State Commissions' make high paying capacity customers to pay higher charges per unit of energy consumed so that, such cost paid over and above the average cost of supply will be adjusted to the gap created by low paying capacity customers. **Drastic reduction of cross subsidy levels would result in tariff shock to the low paying capacity consumers.** Hence, Amendment to this proviso needs to be dropped.

16	**Section 62** i) in sub-section (1) after clause **(d)**, the following proviso **shall be inserted before the existing provisions**, namely:- "**Provided** that the Appropriate Commission shall fix tariff for retail sale of electricity without accounting for subsidy, which, if any, under section 65 of the Act, shall be provided by the government directly to the consumer;"; (i) in sub-section (1), after the word **"Provided"** in the existing proviso, theword **"further" shall be inserted;** (ii) in sub-section (3), after the words "but may", the words **",subject to provisions of the Tariff Policy," shall be inserted.**	Proviso shall be modified as: "**Provided** that the Appropriate Commission shall fix tariff for retailsale of electricity without accounting for subsidy, which, if any, under section 65 of the Act, shall be provided by the government directly tothe DISCOMs till such time a mechanism is put in place by DISCOMs to realise billed amount from the subsidised consumers."	The system of passing on cross subsidy directly to the consumers can only be operated in a situation where all installations of the subsidized category are metered, regular bills are issued and revenue collected by DISCOMs regularly. Having regard to the fact that many installations of subsidized category are not metered, the proposed system is likely to create more problems than it is hoped to resolve. Till such regime is brought into force, the proposed Amendment would be premature and unworkable. It is also likely to result in further financial losses to the DISCOMs. Though the idea of providing subsidy directly to the consumer is welcome, there needs to be a proper mechanism to ensure that the DISCOMs realise the billed amount before the subsidy is released to such consumer. This mechanism is not fully in place in almost all the States across the Country, as the subsidised consumers are not provided with meters and billed. The States may need more time to persuade the subsidised category consumers to comply with the mandatory requirement of metering. If the Direct Benefit Transfer (DBT) amount goes directly to the consumers, at reduced

			rates, there is bound to be resentment amongst the subsidised category of consumers. And, if the consumer does not pay his dues to the DISCOMs, the finances of DISCOMs will further deteriorate. The DISCOMs are barely managing to keep the operations going, with the support of subsidy they receive from the State Government. If their subsidy does not reach them, they will find it impossible to pay the power purchase dues and thereby affect the supply of uninterrupted power to all categories of consumers.
17	**Section 63** shall be numbered as **sub-section (1)** thereof and after **sub-section (1)** as so numbered, the following **sub-section shall be inserted,** namely:- "**(2)** The Appropriate Commission shall, after receipt of application complete in all respects, adopt the tariff so determined under sub-section(1), in a timely manner but not later than **sixty days** from the date of application: Provided that on expiry of sixty days from the date of application, if itis not decided by the Appropriate Commission, the tariff shall be deemed to have been adopted by the Appropriate Commission.".		The Amendment will ensure the speedy processing of the tariff determination (adoption) by the SERCs.

18	**Section 65** i) for the words "and in such manner as may be specified, the amount to compensate the person affected by the grant of subsidy in the manner theState Commission may direct, as a condition for the licence or any other person concerned to implement the subsidy provided for by the State Government:", the words "**the amount of subsidy directly to the consumer and the licensee shall charge the consumers as per the tariff determined by the Commission." shall be substituted;** ii) Proviso to section 65 shall be **omitted.**	**To be modified as:** i) for the words "and in such manner as may be specified, the amount to compensate the person affected by the grant of subsidy in the manner the State Commission may direct, as a condition for the licence or any other person concerned to implement the subsidy provided for by the State Government:", the words "**the amount of subsidy** shall be provided by the government directly tothe DISCOMs till such time a mechanism is put in place by DISCOMs to realise billed amount from the subsidised consumers." ." **shall be substituted;**	The system of passing on cross subsidy directly to the consumers can only be operated in a situation where all installations of the subsidized category are metered, regular bills are issued and revenue collected by DISCOMs regularly. Having regard to the fact that many installations of subsidized category are not metered, the proposed system is likely to create more problems than it is hoped to resolve. Till such regime is brought into force, the proposed Amendment would be premature and unworkable. It is also likely to result in further financial losses to the DISCOMs. Though the idea of providing subsidy directly to the consumer is welcome, there needs to be a proper mechanism to ensure that the DISCOMs realise the billed amount before the subsidy is released to such consumer. This mechanism is not fully in place in almost all the States across the Country, as the subsidised consumers are not provided with meters and billed. The States may need more time to persuade the subsidised category consumers to comply with the mandatory requirement of metering. If the Direct Benefit Transfer (DBT) amount goes directly to the consumers, at reduced

			rates, there is bound to be resentment amongst the subsidised category of consumers. And, if the consumer does not pay his dues to the DISCOMs, the finances of DISCOMs will further deteriorate. The DISCOMs are barely managing to keep the operations going, with the support of subsidy they receive from the State Government. If their subsidy does not reach them, they will find it impossible to pay the power purchase dues and there by affect the supply of uninterrupted power to all categories of consumers.
19	**Section 77** i) In sub-section (1), after the words "commerce, finance" and before thewords "or, management and", the words, **"public policy" shall be inserted;** ii) In clause (b) of sub-section (1), for the word "finance", the word **"law"shall be substituted;** iii) In clause (c) of sub-section (1), after the words "field of", the word**"finance,"** shall be inserted and for the word "law",the words **", publicpolicy" shall be substituted;** iv) Sub-section (2) shall be **omitted.**		

20	**Section 78** Section 78 of the principal Actshall be **substituted by** the following,namely:– "78. **Constitution of Selection Committee to recommend Members**: - (1) The Central Government shall, for the purposes of selecting the Members of the Appellate Tribunal and the Chairperson and Members of the Central Commission, Electricity Contract Enforcement Authority, **State Commissions and Joint Commissions** constitute a Selection Committee consisting of –(a) A person who is, or has been, a Judge of the Supreme Court to be nominated by the Chief Justice of India ....Chairperson; (b) Secretary-in-charge of the Ministry of the Central Government to be nominated by the Central Government ....Member; (c) Chief Secretaries of two State Governments in accordance with sub-section (2)..................... Member; (d) Secretary-in-charge of the Ministry of the Central Government dealing with power................Member. **(2)** For the purposes of clause (c) of sub-section (1), the Chief Secretary of the State Governments in alphabetical order of the states starting with Andhra Pradesh, Arunachal	The Words "State Commission" shall be deleted and the Section 85 shall be retained, as the proposed amendments are taking away powers of states and is against the federal structure of constitution.	The proposed amendment has the effect of completely taking away the right of the State Government from having any say in the selection of the Members of the State Commission. There is no safeguard built into the provisions of selections which would ensure that the persons who are selected to the State Commission will be either persons from the State itself or that the Members are persons who have knowledge of the power sector of the State or have any particular knowledge about the relevant issues in the State. Therefore, such an amendment vesting all powers in the Centre to appoint Members is likely to be counterproductive and is not likely to further the objective of the amendment. The statement of reasons is also silent about the object behind such change being brought about, curtailing the powers of the State Government to appoint persons as per the well-established procedure in place. Therefore, it is important to retain the present provision of giving State government the right to appoint the Chairman and Members of the State Commission. This power cannot & should not be taken away by a central agency as it may lead to various complexities and issues.

	Pradesh shall be the members of the Selection Committee for a period of one year. (3) Secretary-in-charge of the Ministry of the Central Government dealing with Power shall be the Convener of the Selection Committee. (4) The Central Government shall, within a period of one month from thedate of occurrence of any vacancy by reason of death, resignation or removal of a Member of the Appellate Tribunal, or the Chairperson or a Member of the Central Commission or the Electricity Contract Enforcement Authority and within a period of twelve months before the super annuation or end of tenure of the Member of the Appellate Tribunalor Chairperson or Member of the Central Commission or Electricity Contract Enforcement Authority, make a reference to the Selection Committee for filling up of the vacancy. (5) The State Government shall, within a period of one month from the date of occurrence of any vacancy by reason of death, resignation or removal of the Chairperson or a Member and within a period of twelve months before the super annuation or end of tenure of the Chairperson or Member, make a reference to the Selection Committee for filling up of the vacancy. (6) The proceedings of the Selection Committee shall be held in Delhi or such other places as the Central Government may notify.	The following proviso shall be inserted to the subsection 7;.	The State Government should have the deciding role in the selection, even if central role by ways of inputs is considered advisable. Hence, Section 85 may be retained in its present form.

	(7) The Selection Committee shall finalise the selection of the Chairperson and Members referred to it under sub-sections (4) and (5) and make are commendation for every vacancy referred to it within three months of the receipt of the reference. **(8)** Before recommending any person for appointment as Member of the Appellate Tribunal, or the Chairperson or other Member of the Appropriate Commission or Electricity Contract Enforcement Authority, the Selection Committee shall satisfy itself that such person does not have any financial or other interest which is likely to affect prejudicially his functions as the Chairperson or Member. **(9)** No appointment of the Chairperson or other Member shall be invalid merely by reason of any vacancy other than that of the Chairperson in the Selection Committee.".	Provided that, no two members shall be selected from the same field of qualification and experience.	Selection of Members from different fields of qualifications would ensure handling of issues in broader perspective.
21	**Section 79:** i) in **clause (f) of sub-section (1)** of **section 79** of the principal Act, afterthe words "to adjudicate upon disputes", the words "except matters referred to in section 109A" **shall be inserted;** ii) after **clause (j) insub-section (1),** the following clause **shall be inserted,** namely:- "(ja)To regulate cross border trade of electricity in	The words "except matters referred to in section 109A" shall be removed as it is suggested to drop the proposal of introducing ECEA in the amendment in the newly added section 109A to 109N.	Since, the State Government is not in favour of constitution of the ECEA as provided in the Section 109, in the first instance, this amendment becomes infructuous. The adjudication of bilateral disputes should be entirely vested with the State/Central Commission and not with central agency Viz., ECEA. Please refer to the comments on Chapter 10 (109 A to 109 N).

	accordance with the provisions of this Act and rules made there under". iii) **In sub section (4)** after words "tariff policy published under section 3", the words "and National Renewable Energy Policy under section 3A" **shall be inserted.**		
22	**Section 82** i) in **the second proviso** to **sub-section (1)**, for the words "section 85", thewords "section 78" **shall be substituted;** ii) **in sub-section (4),** for the word "three" appearing after the words "notmore than", the word "four" **shall be substituted;** iii) in **sub-section (5),** for the words "section 85" appearing after the words "the Committee referred to in", the words "section 78" **shall be substituted;**	i) in **the second proviso** to **sub-section (1),** the words "section 85", may be retained iii) in **sub-section (5),** the words "section 85" may be retained	The proposed amendment has the effect of completely taking away the right of the State Government from having any say in the selection of the Members of the State Commission. There is no safeguard built into the provisions of selections which would ensure that the persons who are selected to the State Commission will be either persons from the State itself or that the Members are persons who have knowledge of the power sector of the State or have any particular knowledge about the relevant issues in the State. Therefore, such an amendment vesting all powers in the Centre to appoint Members even to the State Commission is likely to be counterproductive and is not likely to further the objective of the amendment. The statement of reasons is also silent about the object behind such drastic change being brought about, curtailing the powers of the State Government drastically.

	iv) after sub-section (6), the following sub-section **shall be inserted,**namely:– "(7) If there is no chairperson and member in a State Commission to perform its functions, the Central Government may, in consultation with the State government concerned, entrust its functions to any other State Commission or Joint Commission, as it deems proper".	The proposed subsection may be deleted	Temporary arrangements from other States may lead to pernicious practice of Members holding additional charge in more than one SERC leading to serious hampering of work in the Regulatory Commissions. It has been the experience in respect of various Tribunals where such practices have prevailed, that the work in both places gets seriously hampered. Therefore, such situation should not be provided for by the Act.
23	**Section 84:** i) **sub-section (1) shall be substituted** by the following, namely:- **"(1)**The Chairperson and the Members of the State Commission shall be persons having adequate knowledge of, or experience in, or shown capacity in, dealing with, problems relating to engineering, law, economics, commerce, finance, public policy or management and shall be appointed in the following manner, namely:- **(a)** one person having qualifications and experience in the field of engineering with specialization in generation, transmission or distribution of electricity; **(b)** one person having qualifications and experience in the field of law; **(c)** two persons having qualifications and experience in the	Provsio to be inserted after 84(1) (c) Provided that, no two members may be	Selection of Members from different fields of qualifications would ensure handling of

	field of finance, economics, commerce, public policy or management."; ii) sub-section (2) **shall be omitted.**	selected with same field of qualification and experience.	issues in broader perspective.
24	**Section 85** of the principal Act **shall be omitted.**	Section 85 needs to be retained to allow the State to select the Members of the State Commission	The proposed amendment deleting Section 85 of the Principal Act has the effect of completely taking away the right of the State Government from having any say in the selection of the Members of the State Commission. There is no safeguard built into the provisions of selections which would ensure that the persons who are selected to the State Commission will be either persons from the State itself or that the Members are persons who have knowledge of the power sector of the State or have any particular knowledge about the relevant issues in the State. Therefore, such an amendment vesting all powers in the Centre to appoint Members even to the State Commission is likely to be counterproductive and is not likely to further the objective of the amendment. The statement of reasons is also silent about the object behind such drastic change being brought about, curtailing the powers of the State Government drastically. Therefore, it is imperative that Section 85 is retained in its place and all amendments which are a consequence of deletion of Section 85 are also to be omitted, including the amendments to Section 78 supra.

			The present provision of giving State government the right to appoint the Chairman and Members of the State Commission may be retained. This power cannot & should not be taken away by a central agency as it may lead to various complexities and issues. The State Government should have the deciding role in the selection, even if central role by ways of inputs is considered advisable.
26	**Section 86** i) **in clause (f) of sub-section (1)** after the words "to adjudicate upon disputes", the words "except matters referred to in section 109A" **shall be inserted;** ii) in **clause (e) of sub-section (1),** after the words "from renewable", thewords "and hydro" shall be inserted and after the words "a distribution licensee", the words ","as may be prescribed by the Central Government from time to time" **shall be inserted.**	The words "except matters referred to in section 109A" may be removed as it is suggested to drop the proposal of introducing ECEA in the amendment in the newly added section 109A to 109N.	Since, the State Government is not in favour of constitution of the ECEA as provided in the Section 109, in the first instance, this amendment becomes infructuous. The adjudication of bilateral disputes should be entirely vested with the State/Central Commission and not with central agency Viz., ECEA.

	iii) In sub section (4) after words "tariff policy published under section 3", the words "and National Renewable Energy Policy under section 3A" **shallbe inserted.**		
26	**Section 90** of the principal Act, The proviso to sub section (3) **shall be omitted.**		
27	**Section 92** **after sub-section (5),** the following subsection **shall be added**, namely: – **"(6)** Where before or during the course of a proceeding, the Appropriate Commission comes to a conclusion that the Electricity Contract Enforcement Authority has the sole authority and jurisdiction to adjudicate a matter, it shall refer the same to the Electricity Contract Enforcement Authority for its orders".	Proposed Sub-section (6) may be deleted	Since, the State Government is not in favour of constitution of the ECEA as provided in the Section 109, in the first instance, this amendment becomes infructuous. The adjudication of bilateral disputes should be entirely vested with the State/Central Commission and not with central agency Viz., ECEA. Also, as the amendment proposes to strengthen the composition of SERCs by adding one more member (total 4 Members).Hence, the SERCs may be provided with the powers specified for ECEA. Please refer to the comments on Chapter 10 (section 109A to 109 N).
28	**After PART X of the principal Act, the following part shall be inserted**,namely:- **<u>PART XA</u>** **ELECTRICITY CONTRACT ENFORCEMENT AUTHORITY**	The proposal of establishment of **Electricity Contract Enforcement Authority** may be	The disputes may further increase in number by transferring all power purchase

	109A. Establishment of Electricity Contract Enforcement Authority.- (1)The Central Government shall, by notification, establish an Electricity Contract Enforcement Authority to exercise the powers conferred on, and discharge the functions assigned to, it under the Act. (2) Notwithstanding anything contained in this Act or any other law in force, the Electricity Contract Enforcement Authority shall have the sole authority and jurisdiction to adjudicate upon matters regarding performance of obligations under a contract related to sale, purchase or transmission of electricity, provided that it shall not have any jurisdiction over any matter related to regulation or determination of tariff or any dispute involving tariff. (3) Every contract between a generation company and a licensee shall be filed with the Appropriate Commission within 30 days of the said contract having been concluded. **109B. Application to Electricity Contract Enforcement Authority and order thereon -** (1) Any person aggrieved in any matter referred to in section 109A may prefer an application to the Electricity Contract Enforcement Authority. (2) Every application under sub-section (1) shall be filed within a period of six months from the non-performance of the obligation under the contract: Provided that the Electricity Contract Enforcement Authority may entertain an application after the expiry of	dropped The amendment to this section seeks to centralise enforcement of all contractual issues with a single entity. Already SERCs are performing contract enforcement functions since 2003. There may therefore not be any need for divesting SERCs of its powers and centralising all such powers with ECEA, which may lead to multiplicity of adjudicatory bodies leading to confusion.	litigation across all States to a central Authority. There is also an inherent risk in it of enabling the financially strong stakeholders to influence and capture all litigations at one place. It may also cause more hardship for common litigants as they have to approach the Central authority instead of approaching the State Commission, which is today, within their reach. The amendment also is contrary to the general endeavour of taking the adjudicatory body nearer to the place of the litigant and making judicial remedy more easily accessible to the litigant. It is also likely to increase the burden of the Centralised entity (ECEA). Already SERCs are performing these functions since 2003 and have not pleaded their inability to handle the load of disputes.There is no need for divesting SERCs of its powers and centralising all such powers with ECEA. By virtue of Section 86 of the Electricity Act 2003, as it exists now, all issues between licensees and generating companies are resolved by the State Commission or at their discretion, the matter could be resolved by way of Arbitration. The power of the authority as indicated in Section 109 A (2) is

	the said period of six months if it is satisfied that there is sufficient cause for not filing it within that period. (3) Every application received under sub section (1) shall be in such form, verified in such manner and be accompanied by such fee as may be prescribed. (4) On receipt of an application or matter under sub-section (6) of section 92, the Electricity Contract Enforcement Authority may, after giving the parties to the application an opportunity of being heard, determine whether a valid contract subsists between the parties and whether any party is in violation of any of its obligations under the contract. (5) Upon a finding that there has a violation/breach of obligation under acontract by a party or parties, the Electricity Contract Enforcement Authority shall direct that the said parties immediately perform their obligation under the contract and may direct the payment of costs on account of the breach of contract or non-fulfilment of obligations of the contract and any further amountit may deem fit as compensation. (6) The Electricity Contract Enforcement Authority shall send a copy of every order made by it to the parties to the application as the case may be. (7) The Electricity Contract Enforcement Authority shall deal with the application filed before it under sub-section (1) and any matter referred to it under sub-section (6) of section 92 as expeditiously as possible and endeavour to dispose it finally within one hundred and twenty days from the date of its receipt: Provided that where any application could not be disposed of withinthe said period of one hundred and twenty days, the Electricity ContractEnforcement Authority shall record		very widely worded and includes all contracts for sale, purchase or transmission of electricity. An authority of such nature is likely to create more litigation. It is to be noted that the disputes in respect of contracts are complex in nature and in most of the situations, it will not be purely a question of enforcement of contract and there will be various other issues which include other Regulatory issues as part of the dispute. Adding to the above, approaching the ECEA even for the pettiest issues to be resolved not only incur huge cost of travel and other expenditure for the State entities, but may lead to the issues being resolved by an agency unaware of the complexities of the peculiar situations in the State. The electrical contracts are governed by the legal documents such as PPA, agreements, MoUs, all of which have a laid down procedure for dispute resolution along with competent original authority as well as appellate authorities, We see no need to change this position Further, the proposal may not be necessary consequent to the proposal of adding one Technical Member to the State Commissions and making each State Commission to have

	its reasons in writing for not disposing ofthe matter within the said period. **109C. Composition of Electricity Contract Enforcement Authority-** (1) The Electricity Contract Enforcement Authority shall consist of the following – a) a Chairperson; b) two or more Judicial Members as may be prescribed by the CentralGovernment from time to time; and c) three or more Technical Members, as may be prescribed by theCentral Government from time to time. (2) Subject to the provisions of this Act, a) the jurisdiction of the Electricity Contract Enforcement Authority may be exercised by Benches thereof; b) a Bench may be constituted by the Chairperson of the ElectricityContract Enforcement Authority with two or more Members of theElectricity Contract Enforcement Authority as the Chairperson of theElectricity Contract Enforcement Authority may deem fit: Provided that every Bench shall include at least one Judicial Memberand one Technical Member; c) the Benches of the Electricity Contract Enforcement Authority shallordinarily sit in Delhi and such other places as the Central Governmentmay, in consultation with the Chairperson of the Electricity ContractEnforcement Authority, notify; (d) the Central Government shall, in consultation with the Chairperson ofthe Electricity Contract Enforcement Authority, notify the areas inrelation to which each Bench of the Electricity Contract EnforcementAuthority may have exercise jurisdiction.			4 members, which will enable them to take up the contract issues, if any by forming two benches (to operate every day or on alternated days) of courts instead of one bench being operated a few days in a week (as done now). Further, the powers proposed to be delegated to ECEA may be vested with the SERC's for effective functioning of the SERCs (having advantages of knowing the State specific issues) in each State instead of having a single ECEA.

	(3) Notwithstanding anything contained in sub-section (2), the Chairperson of the Electricity Contract Enforcement Authority may transfer a Member of the Electricity Contract Enforcement Authority from one Bench to another Bench. Explanation- For the purposes of this section, a Judicial Member shall include the Chairperson of the Electricity Contract Enforcement Authority. **109D.Qualification for appointment of Chairperson and Members ofElectricity Contract Enforcement Authority.-** (1) A person shall not bequalified for appointment as the Chairperson of the Electricity ContractEnforcement Authority or a Member of the Electricity Contract Enforcement Authority unless he- (a) in the case of the Chairperson of the Electricity Contract EnforcementAuthority, is, or has been a Judge of a High Court; and (b) in the case of a Judicial Member of the Electricity Contract Enforcement Authority, is, or has been a District Judge or Additional District Judge for a minimum period of seven years; and (c) in the case of a Technical Member of the Electricity Contract Enforcement Authority,- i. is, or has been, an officer of the rank of Additional Secretary or abovefor at least one year in the Ministry or Department of the CentralGovernment dealing with power or any other sector of infrastructure; or ii. is, or has been, a person of ability and standing, having adequateknowledge or experience in dealing with the matters relating toelectricity generation, transmission, distribution and regulation, oreconomics, finance, public		

	policy, commerce, or management withexperience in infrastructure related matters. (2) The Chairperson and Members of the Electricity Contract EnforcementAuthority shall be appointed by the Central Government on theircommendation of the Selection Committee referred to in section 78. (3) Before appointing any person for appointment as Chairperson or otherMember of the Electricity Contract Enforcement Authority, the CentralGovernment shall satisfy itself that such person does not have any financial orother interest which is likely to affect prejudicially his functions as suchChairperson or Member. **109E. Term of Office and Terms and Conditions of service.-** TheChairperson of the Electricity Contract Enforcement Authority or a Member of the Electricity Contract Enforcement Authority shall hold office as such for a term of five years from the date on which he enters upon his office: Provided that such Chairperson or other Member shall not be eligiblefor reappointment in the same capacity as the Chairperson or a Member in theElectricity Contract Enforcement Authority; Provided further that no Chairperson of the Electricity ContractEnforcement Authority or Member of the Electricity Contract EnforcementAuthority shall hold office after attaining the age of sixty-seven years. **109F. Vacancies.-**If, for reason other than temporary absence, any vacancyoccurs in the office of the Chairperson of the Electricity Contract Enforcement Authority or a		

	Member of the Electricity Contract Enforcement Authority, the Central Government shall appoint another person in accordance with theprovisions of this Act to fill the vacancy and the proceedings may be continued before the Electricity Contract Enforcement Authority from the stage at which the vacancy is filled. **109G. Resignation and Removal.**- (1) The Chairperson of the ElectricityContract Enforcement Authority or a Member of the Electricity ContractEnforcement Authority may, by notice in writing under his hand addressed tothe Central Government, resign his office: Provided that the Chairperson of the Electricity Contract EnforcementAuthority or a Member of the Electricity Contract Enforcement Authorityshall, unless he is permitted by the Central Government to relinquish his office sooner, continue to hold office until the expiry of three months from the date of receipt of such notice or until a person duly appointed as his successor enters upon his office or until the expiry of term of office, whichever is the earliest. (2) The Chairperson of the Electricity Contract Enforcement Authority or aMember of the Electricity Contract Enforcement Authority shall not beremoved from his office except by an order of the Central Government on the ground of proved misbehaviour or incapacity after an inquiry made byChairperson of the Appellate Tribunal in which the Chairperson or a Memberof the Electricity Contract Enforcement Authority concerned has been informed of the charges against him and given a reasonable opportunity of being heard in respect of such charges.		

	109 H. Member to act as Chairperson in certain circumstances.- (1) In the event of the occurrence of any vacancy in the office of the Chairperson of the Electricity Contract Enforcement Authority by reason of his death, resignationor otherwise, the senior-most Member of the Electricity Contract Enforcement Authority shall act as the Chairperson of the Electricity Contract Enforcement Authority until the date on which a new Chairperson, appointed in accordance with the provisions of this Act to fill such vacancy, enters upon his office. (2) When the Chairperson of the Electricity Contract EnforcementAuthority is unable to discharge his functions owing to absence, illness or any other cause, the senior-most Member of the Electricity Contract Enforcement Authority shall discharge the functions of the Chairperson of the Electricity Contract Enforcement Authority until the date on which the Chairperson of the Electricity Contract Enforcement Authority resumes his duties. **109I. Officers and other employees of Electricity Contract Enforcement Authority.**-(1) The Central Government shall provide the Electricity Contract Enforcement Authority with such officers and other employees as it may deem fit. (2) The officers and other employees of the Electricity Contract Enforcement Authority shall discharge their functions under the general superintendence of the Chairperson of the Electricity Contract Enforcement Authority. (3) The salaries and allowances and other terms and		

	conditions of service of the officers and other employees of the Electricity Contract EnforcementAuthority shall be such as may be prescribed by the Central Government. (4) The Chairperson of Electricity Contract Enforcement Authority shallexercise such financial and administrative powers as may be prescribed by the Central Government. **109 J. Procedure and powers of Electricity Contract EnforcementAuthority.-** (1) The Electricity Contract Enforcement Authority shall not be bound by the procedure laid down by the Code of Civil Procedure, 1908but shall be guided by the principles of natural justice and, subject to the other provisions of this Act, the Electricity Contract Enforcement Authority shallhave powers to regulate its own procedure. (2) The Electricity Contract Enforcement Authority shall have, for the purposes of discharging its functions under this Act, the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, while trying a suit, inrespect of the following matters, namely:- a) summoning and enforcing the attendance of any person and examining him on oath; b) requiring the discovery and production of documents; c) receiving evidence on affidavits; d) subject to the provisions of sections 123 and 124 of the Indian EvidenceAct, 1872, requisitioning any public record or document or copy ofsuch record or document from any office; e) issuing commissions for the examination of witnesses or documents;		

	f) reviewing its decisions; g) dismissing an application on default or deciding it ex parte; h) setting aside any order of dismissal of an application on default or anyorder passed by it ex parte; i) pass an interim order (including granting an injunction or stay) afterproviding the parties concerned an opportunity to be heard; and j) any other matter which may be prescribed by the CentralGovernment. (3) An order made by the Electricity Contract Enforcement Authority underthis Act shall be executable by it as a decree of civil court and, for this purpose, the Electricity Contract Enforcement Authority shall have all the powers of a civil court including but limited to powers of attachment and sale of property, arrest and detention in prison and appointment of a receiver. (4) Notwithstanding anything contained in sub-section (3), the Electricity Contract Enforcement Authority may transmit any order made by it to a civil court having local jurisdiction and such civil court shall execute the order as if it were a decree made by that court. (5) All proceedings before the Electricity Contract Enforcement Authority shall be deemed to be judicial proceedings within the meaning of sections 193 and228 of the Indian Penal Code and the Electricity Contract Enforcement Authority shall be deemed to be a civil court for the purposes of section 345and 346 of the Code of Criminal Procedure, 1973.		

	109 K. Distribution of business amongst Benches and transfer of casesfrom one Bench to another Bench.- (1) Where Benches are constituted, theChairperson of the Electricity Contract Enforcement Authority may, from time to time, by notification, make provisions as to the distribution of the businessof the Electricity Contract Enforcement Authority amongst the Benches andalso provide for the matters which may be dealt with by each Bench. (2) On the application of any of the parties and after notice to the parties, and after hearing such of them as he may desire to be heard, or on his own motion without such notice, the Chairperson of the Electricity Contract Enforcement Authority may transfer any case pending before one Bench, for disposal, to any other Bench. **109 L. Decision to be by majority.**- If the Members of the Electricity Contract Enforcement Authority of a Bench consisting of two Members differ in opinion on any point, they shall state the point or points on which they differ, and make a reference to the Chairperson of the Electricity Contract Enforcement Authority who shall either hear the point or points himself or refer the case for hearing on such point or points by one or more of the other Members of the Electricity Contract Enforcement Authority and such point or points shall be decided according to the opinion of the majority of the Members of theElectricity Contract Enforcement Authority who have heard the case, including those who first heard it.		

	109 M. Right of parties to take assistance of legal practitioner.- A person preferring an application to the Electricity Contract Enforcement Authority under this Act and any other party to the case may either appear in person or take the assistance of a legal practitioner of his choice to present his case before the Electricity Contract Enforcement Authority, as the case may be. **109 N. Appeal to Appellate Tribunal.-**Any person aggrieved by any decision or order of the Electricity Contract Enforcement Authority, may, file an appeal to the Appellate Tribunal within sixty days from the date of communication of the decision or order of the Electricity Contract Enforcement Authority to him: Provided that the Appellate Tribunal may, if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal within thesaid period, allow it to be filed within a further period not exceeding sixtydays."		
29	**Section 110** In **section 110** of the principal Act, after the words "or the Appropriate Commission" and before the words "under this Act", the words "or the Electricity Contract Enforcement Authority" **shall be inserted.**	It is suggested to drop the proposal of introducing words "or the Electricity Contract Enforcement Authority" In the amendment as suggested in the newly added section 109A to 109N.	Since, the State Government is not in favour of constitution of the ECEA as provided in the Section 109, in the first instance, this amendment becomes infructuous. Please refer to the comments on Chapter 10 (section 109A to 109N).
30	**Section 111** In **sub-section (1) of section 111** of the principal Act, after the words "by the Appropriate Commission" and before the	The words "or an order made by the Electricity Contract Enforcement Authority"	Since, the State Government is not in favour of constitution of the ECEA as provided in

	words "under this Act, the words "or an order made by the Electricity Contract Enforcement Authority" **shall be inserted.**	**to be deleted** as suggested in the newly added section 109A to 109N.	the Section 109, in the first instance, this amendment becomes infructuous. Please refer to the comments on Chapter 10 (section 109A to 109N).
31	**Section 112** **sub-section (1)** For the words "three other Members", the words "such number of other Members, not less than seven, as may be prescribed by the Central Government" **shall be substituted.**		
32	**Section 119** In **section 119 of the principal Act,** after **sub-section (3),** the following subsection **shall be added,** namely :-"(4) The Chairperson of Appellate Tribunal shall exercise such financialand administrative powers as may be prescribed by the Central Government.".		
33	**Section 120** **sub-section (2) of** the following clauses **shall be substituted,** namely:- "**(g)** dismissing an appeal or an application on default or deciding it *exparte*; **(h)**setting aside an order of dismissal of an appeal or an application ondefault or an order passed by it *ex-parte*;".		
34	**Section 121** Section 121 of the principal Act shall be **numbered as sub-**		

	section (1) thereof. In the sub-section (1) as so numbered, after the words "the Appropriate Commission or" and before the words "or other interested party, the words **"Electricity Contract Enforcement Authority or"** shall be inserted and after the words "to any Appropriate Commission" and before the words "for the performance", the words "or Electricity Contract Enforcement Authority" **shall be inserted;** **After sub-section (1) as so numbered, the following sub-section shall be inserted,** namely:- **"(2)**The Appellate Tribunal shall have the same jurisdiction, powersand authority to take action on wilful disobedience to any of its judgment, decree, direction, order or other process or wilful breach of an undertaking given to a it, as a High Court under the provisions of the Contempt of Courts Act, 1971 (70 of 1971) on its own motion or on a motion made by the Advocate General or such Law Officer as the Central Government may, by notification in the Official Gazette, specify in this behalf, or any other person, with the consent in writing of such Law Officer or the Advocate General, and a reference in the Contempt of Courts Act, 1971 to a High Court shall be construed as including a reference to the Appellate Tribunal.".	The words "or an order made by the Electricity Contract Enforcement Authority" **to be deleted**	Since, the State Government is not in favour of constitution of the ECEA as provided in the Section 109, in the first instance, this amendment becomes infructuous. Please refer to the comments on Chapter 10 (section 109A to 109N).
35	**Section 142** Section 142 of the principal Act shall be **numbered as sub-section (1)** thereof.. In the sub-section (1) as so numbered- (i) after the words "there under, or any direction", the words		

	"or order"**shall be inserted;** (ii) for the word "lakh", the word "Crore" **shall be substituted;** (iii) for the words "to six thousand rupees", the words "upto one lakh rupees" **shall be substituted.** **After sub-section (1)** as so numbered in section 142, the following **shall be inserted,** namely:- "**(2)** Notwithstanding anything contained in sub-section (1), in caseany complaint is filed before the Appropriate Commission by anyperson or if that Commission is satisfied that any person, with effect from such date as may be notified by the CentralGovernment, has not purchased power from renewable or hydro sources of energy as specified by it using its powers under the Act, the Appropriate Commission shall after giving such person an opportunity of being heard in the matter, by order in writing, direct that, without prejudice to any other penalty to which he may beliable under this Act, such person shall pay, by way of penalty, a sum calculated at the rate of fifty paise per kilowatt-hour for the shortfall in purchase in the first year of default, one rupees per kilowatt-hour for the shortfall in purchase in the second successive year of default and at the rate of two rupees per unit for the shortfall in purchase continuing after the second year.".	For the word "lakh", the word "5 Lakhs" **may be substituted;** 142 (iii) may be deleted	Since the penalty so levied will be passed on to the end consumers in the form of tariff, the penalty may be indicative and limited to 5 Lakhs.

36	**Section 146** In section 146 of the principal Act, for the words "lakh", the word "crore" and for the words "five thousand rupees", the words "one lakh rupees" **shall be substituted.**	In section 146 of the principal Act, for the words "lakh", the word "5 Lakhs" may be substituted. And the words "five thousand rupees", **may be retained.**	Since the penalty so levied will be passed on to the end consumers in the form of tariff, the penalty may be indicative and limited to 5 Lakhs.
37	**Section 176** In **sub-section (2) of section 176** of the principal Act i)**after clause (a),** the following clauses **shall be inserted,** namely:- "**(aa)** the minimum percentage of purchase of electricity fromrenewable and hydro sources of energy under section 3A; **(ab)** allowing and facilitating cross border trade of electricity and anymatter related to it under sub section (1) of section 49A; **(ac)** laying down the modalities of bundling of renewable energy(including hydro) with thermal energy;		The insertion of various provisions under Section 176 dealing with the power of the central Government to make rules is consequential upon the proposed amendments. All amendments consequent to the amendment of Section 78, deletion of Section 85 and addition of Chapter 10 are wholly irrelevant and consequently, these amendments are unnecessary and require to be dropped.
	(ad) Renewable Generation Obligation; **(ae)** regarding maintaining adequate capacity resources;" ii) **after clause (d),** the following clause **shall be inserted,** namely:-	RGO needs to be defined. Also the RGO needs to be reflected in the section dealing with Generation Activity.	As the definition of RGO do not find place in the Act, the same needs to be included.

	"**(da)** payment security mechanism under section 49;"; iii) after clause (p), the **following clauses shall be inserted,** namely:- "**(pa)** the form, the manner of verifying the form, and fee for filing theapplication under sub-section (4) of section 109B; **(pb)** the number of Judicial and Technical Members to be included inthe Electricity Contract Enforcement Authority under sub-section (1) ofsection 109C; **(pc)** the salaries and allowances and other terms and conditions ofservice of the officers and other employees of the Electricity ContractEnforcement Authority under sub-section (3) of section 109I; **(pd)** the exercise of financial and administrative powers by theElectricity Contract Enforcement Authority under sub-section (4) ofsection 109I;"; **iv) after clause (q), the following clause shall be inserted,** namely:- "**(qa)** the number of Members to be included in the Appellate Tribunalunder sub section 1 of section 112;"; **v) after clause (s), the following clause shall be inserted,** namely:-		

	"(sa) exercise of financial and administrative powers by theChairperson of Appellate Tribunal under sub section 4 of section 119".		
	Section 178 In section 178 of the principal Act, for **sub-section (1),** the following **shall be substituted, namely** **"(1)** The Central Commission may, by notification, make regulations inrespect of the functions assigned to it in the Act." (2) In sub-section (2) of section 178 of the principal **Act** **i)after clause (a),** the following clause **shall be inserted,** namely:- **"(aa)** Cross border trade of electricity, if any, under sub section (2)of section 6A;"; **ii)**in **clause (j),** the words "and a surcharge" **shall be omitted;** **iii) clause (k)shall be omitted;** **iv)** in **clause (l),** the words "and a surcharge" **shall be omitted;** **v) clauses (m), (r) and (ze) shall be omitted.**		
	Section 181 In section 181 of the principal Act, for **sub-section (1),** the following **shall be substituted,** namely:-		

	"(1) The State Commissions may, by notification, make regulations inrespect of the functions assigned to it in the Act." **In sub-section (2)** of section 181 of the principal Act **In clause(i),** the words "and a surcharge" **shall be omitted;** **clauses (j), (k), (l), (m) and (n)shall be omitted;** after **clause (o),** the following clause **shall be inserted,** namely:- **"(oa)** determination and payment of surcharge and wheeling chargesunder the first proviso to sub-section (2) of section 42;" **for clause (p),** the following **shall be substituted,** namely:- "reduction in surcharge and cross subsidies, as may be provided for inthe Tariff Policy under the third proviso to sub-section (2) of section 42;"; **after clause (p),** the following **clause shall be inserted,** namely:- **"(pa)** the manner of payment and utilization of the surcharge under thefifth proviso to sub-section (2) of section 42;"; **Clauses (zc) and (zp) shall be omitted.**	"Provided also that such surcharge and cross subsidies may be progressively reduced in the manner as may be specified by the State Commission" may be retained in section 42, and hence the proposed substitution may be deleted. This contradicts 2nd provision to Section 42 (2).	Under Section 42, the reasons to vest the powers of reduction of surcharge and cross subsidies with SERCs are explained in detail.

Annexure -6

B.S. YEDIYURAPPA
CHIEF MINISTER

VIDHANA SOUDHA
BENGALURU - 560 001

Date : 04/07/2020

CM 242 GoI 2020

Dear Shri Raj Kumar Singh ji,

Sub: Mis-conception regarding proposed draft Electricity Amendment Bill 2020.

Ref: 1. Letter No.368606/MOS(IC)/Power/2020 dated 25-6-2020 of Sri R. K. Singh, Hon'ble Minister for Power and New & Renewable Energy.
2. Letter No.EN/ACS/236/2020 dated 05-06-2020 from the Additional Chief Secretary to Government, Energy Department to the Power Secretary, Government of India.

***

I would like to thank you for your letter dated 25-06-2020 clearing certain confusion regarding the issues that we had raised in the draft Electricity Amendment Bill 2020. I would also like to convey my thanks to you for clarifying that the appointment of Members, Chairperson of the State Electricity Regulatory Commission will continue to be made by the concerned State Government in respect of which the appointment is being made.

1. The confusion probably arose because of the fact that Section 85 of the Electricity Act 2003 has been omitted entirely, which provided for Selection Committee at the State Government level with Chairperson of the Central Commission as a Member. In the proposed amendment, under Section 78, a single committee has been proposed by the Central Government, which will have Chief Secretary of any two State Governments by rotation in alphabetical order for a period of one year. It is quite likely that the concerned State Government in respect of which selection is being proposed, may not have any say in the matter at all. Further, there will be only two members representing the State Government out of 5 members in all, whereas, in the earlier

B.S. YEDIYURAPPA
CHIEF MINISTER

VIDHANA SOUDHA
BENGALURU - 560 001

Date : 04/07/2020

CM 242 GoI 2020

provision, the committee was headed by a Judge of High Court with Chief Secretary of the concerned State as Member and one representative from the Central Government.

Hence, it may be preferable to retain Section 85 of the Electricity Act, 2003 for the Selection of Chairperson and Members of State Electricity Regulatory Commission.

2. You have also clarified that the Direct Benefit Transfer of subsidy will benefit the consumers as well as the DISCOMs. I would also like to point out that the Direct Benefit Transfer, in this case, is quite different from DBT scheme pertaining to other departments. For one, Electrical installations for Irrigation Pump Sets are not metered and therefore, it will be impossible to ascertain how much electricity has been consumed by the farmer to arrive at the subsidy amount. Our earlier efforts to install the meters have been completely unsuccessful because of the resistance on the part of the farmers. The farmers presently enjoy free power supply which is limited only by the number of hours of power supply. If they have to pay at the real cost of power, they will find it really impossible to do so.

Further, if the DBT goes directly to the consumers, and at reduced level, the consumers may not pay their dues to the DISCOMs and it will be impossible to disconnect the installations for such default and therefore the finances of DISCOMs will further deteriorate. The present system where the subsidy goes to the DISCOMs in lieu of free electricity to the farmers, (which incidentally reduces the input costs farmers and therefore makes farming viable) which is used by DISCOMs to clear their power purchase dues.

..3..

B.S. YEDIYURAPPA
CHIEF MINISTER

VIDHANA SOUDHA
BENGALURU - 560 001

Date : 04.07.2020

CM 242 GoI 2020

Therefore, though the idea of providing subsidy to the consumer is a good initiative, there are serious difficulties in implementing the DBT in the Electricity Sector. Therefore, it should be left to the State Government to decide the mode of payment of subsidy to the farmers. We have responded earlier to other amendments made in the Bill which we reiterate. These factors may be considered and necessary changes may be made in the proposed Amendment Bill, and it may be circulated once again to the State Governments for their comments.

With warm regards,

Yours sincerely,

(B.S. YEDIYURAPPA)

Shri Raj Kumar Singh,
Ministers of State (IC) of New and
Renewable Energy, Power
Government of India,
Shram Shakti Bhawan,
New Delhi-110001

Annexure -7

ಟಿ.ಎಂ. ವಿಜಯ್ ಭಾಸ್ಕರ್, ಭಾ.ಆ.ಸೇ.
ಮುಖ್ಯ ಕಾರ್ಯದರ್ಶಿ
T.M. VIJAY BHASKAR, I.A.S.
Chief Secretary

ಕರ್ನಾಟಕ ಸರ್ಕಾರ
Government of Karnataka

No. EN 824 VSC 2020

13th October, 2020

Dear Sanjiv Sahai,

Sub: Draft SBD - for Privatization of Distribution Licenses - reg.
Ref: Draft Standard Bidding Documents for Privatization of Distribution Licensees (Version Date: 20-09-2020) by MoP, Govt. of India.

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1. We have received the Draft Standard Bidding Document for Privatization of Distribution Licences issued on 22.09.2020. We are grateful to you for seeking our comments before finalizing the same. Privatization, indeed, is the way forward in most sectors to increase efficiency, and improve quality of service, if it is done at appropriate time, and ensuring that the likely pitfalls are adequately addressed.

2. It was proposed as part of Atmanirbhara Bharat that DISCOMS in UTs will be privatized which will provide a model for emulation across the country. I was therefore taken by surprise when I saw that several of the DISCOMS in my state also have been included in the proposed tentative list of DISCOMS for privatization. I have some concerns which are important and will need to be addressed before I can give my consent to this proposal.

3. Electricity falls within the domain of both the State and the Central Government. It will be in the fitness of things therefore for each State to have a say in deciding matters within its jurisdiction. The road map will have to be planned keeping in mind the peculiar circumstances and legacy, the stage of development of power sector, general aspirations as well as the general development in the sector in every state. A decision, merely on the basis of rational parameters such as percentage of AT&C losses, gap between the ACS and ARR, extent of accumulated dues etc.

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320, 3ನೇ ಮಹಡಿ, ವಿಧಾನ ಸೌಧ, ಬೆಂಗಳೂರು - 560 001. ದೂರವಾಣಿ ಕಛೇರಿ: +91-80-22252442 / 22253716 ಫ್ಯಾಕ್ಸ್: +91-80-22258913
320, 3rd Floor, Vidhana Soudha, Bengaluru - 560 001. Phone. off. +91-80-22252442 / 22253716 Fax: +91-80-22258913
e-mail : cs@karnataka.gov.in

might not be appropriate criteria to determine whether and when to privatize. Considering the social objectives being fulfilled by the sector of providing affordable electricity to all categories of consumers and households in the country, especially the farmers, the poor and the underprivileged, the proposal for privatisation of power distribution sector at the present juncture is something which is not under active consideration in Karnataka State.

4. The Power Sector performs an important function of providing public good to almost the entire population with subsidy given to entire agriculture sector and also to a large category of economically weaker sections, profit motive and even efficiency improvement, admittedly, cannot be the only objective of this sector.

It is not clear as to how the private investor will provide free or subsidized electricity to the farmers and the poor. Even if subsidy is given to the service provider instead of the DISCOMS, it may not suffice to fully provide for the subsidy in time, and unlike DISCOMS, the private service provider may not be able to provide uninterrupted power to these consumers which will not only impact their livelihoods and lives, but also reduce their economic activities and contribution to the growth. If the subsidy is given through DBT, the agricultural pump-sets and Bhagya Jyoti / Kutira Jyoti installations are not metered and are difficult to meter due to resistance by farmers. Measurement of electricity is a pre-requisite for giving the commensurate subsidy through DBT. Disbursement of subsidy through DBT also, therefore, will not be an easy exercise.

5. It is a well-known fact that, the private enterprises will not opt for operating in the rural areas and areas in which huge Agricultural and subsidised installations are present, added to which interruptions are more, quality and reliability of power is less. Selective cherry-picking of areas with good infrastructure and high paying consumers is likely to happen which will further exacerbate the financial stress on DISCOMs. The farmers, the subsidised consumers and the employees will be uncertain about their fate.

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6. The Power Distribution sector in the State has evolved in its own unique manner in harmony with the social and economic requirements peculiar to each State. The State has ensured power availability to all its consumers irrespective of their social status or paying capacity. About 36.31 % of the total energy consumed by the State is being supplied to agriculture sector and 1.63% of Bhagya Jyothi / Kuteera Jyothi consumers in the State who are below the poverty line are supplied free power. The consumption of this section requires tariff support from the Government. Therefore, differential retail costing of electricity or cross subsidy is inevitable.

7. In the absence of clarity on the term "Continued or better service conditions" privatisation will lead to unrest in the employees' unions/federations of the distribution Companies. The terms and conditions prescribed in the document for transfer of existing employees are not clear. The provision in the transaction features towards continuation of payment of terminal liability related to retired employees by the existing distribution licensee are not clearly defined.

   Further, as per the tripartite agreement between GoK, KEB and employees union all the service conditions and benefits existing prior to the Karnataka Electricity Reforms Ordinance 1999 need to be maintained. The successor entity needs to be bound by such agreement entered beforehand.

8. It is not clear as to what will be the fate of existing PPA's which the DISCOMs are presently saddled with, which have high fixed charges as well as variable cost. They will have to be taken over by Distribution sub-licensee if at all privatization is considered. Else, we may end up in an ironical situation where the DISCOMs will have to provide high cost power to low-paying consumers and private service provider will source cheaper power from exchange or new renewable open access generators to supply to high-paying consumers.

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9. The document doesn't seem to address the following challenges being faced by the ESCOMs at this juncture:-
   - Loosing high tariff paying consumers due to cheaper power alternatives available in renewable generation and power exchanges.
   - Optimisation of power purchase cost in a scenario where obligations of long term PPAs are to be satisfied duly managing accurate demand forecasting, merit order linked back down of generation and grid management with must run renewable projects.

10. The proposal to consider privatisation of distribution licensees who have been successful in achieving AT&C losses of below 15% or upto 16% or 17% needs to be examined in detail. In Karnataka State, all ESCOMs have achieved AT&C losses of below 15%. BESCOM, even after paying for high cost power purchase, has been successful in maintaining AT&C losses of 15.76%. Hence privatisation of ESCOMs of Karnataka may not be considered in the present phase, considering the following facts:-
    - The Average Cost of Supply (ACS) and Average Revenue Realization (ARR) gap for the FY 2020 for the State is around 0.17 paise/unit.
    - In some of the ESCOMs, the average revenue realization is more than the average cost of power supply.
    - The DISCOMs in Karnataka have nearly achieved the projected distribution loss target fixed by the Regulator.

11. Providing clean balance sheet free of accumulated losses / unserviceable liabilities might be advantageous to Investor and this would mean absorbing the losses of the DISCOMS by the State Government which may require the State Government to be provided with immediate financial assistance by the Central Government for clearing all Government dues on the date of transfer.

12. The provisions of the document towards considering of loading minimum liabilities on the successor company duly providing them

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incentives on collection of past arrears and fixed return on equity, will only create a business opportunity to private companies without resolving any of the basic lacunae in the sector.

13. The proposal to consider treatment of truing up so that it will not cause any financial gain or losses to the Distribution Company might not be possible with the present Standard Bidding Documents conditions.

14. In the light of the above, Karnataka is not prepared at this juncture to opt for privatization of its DISCOMs. We would like to see the experience of UTs' / other States in this regard and then take steps in this direction.

15. Detailed comments on the draft SBD for privatization of Distribution licensee will be submitted in due course. I urge you to kindly address our concerns before taking any further steps with reference to privatization of DISCOMs in my State.

With warm regards,

Yours sincerely,

13/10/20

(T.M.VIJAY BHASKAR)

Shri Sanjiv Nandan Sahai, IAS,
Secretary,
Ministry of Power,
Government of India,
Shram Shakti Bhawan,
Rafi Marg,
New Delhi - 110 001.

Annexure - 8

आर. के. सिंह
R. K. SINGH

विद्युत एवं नवीन और नवीकरणीय ऊर्जा
राज्य मंत्री (स्वतंत्र प्रभार) एवं
कौशल विकास और उद्यमशीलता राज्य मंत्री
भारत सरकार
Minister of State (Independent Charge)
for Power and New & Renewable Energy and
Minister of State in the Ministry of Skill Development
and Entrepreneurship
Government of India

No.368606/MOS(IC)/Power/2020

CM/236/GoI/2020
30/06/2020

Dear Shri Yediyurappa,

25 JUN 2020

I have been informed that certain misconceptions are being spread regarding the proposed amendments to the Electricity Act. The facts are as follows :-

1- A canard is being floated in various states that the amendments circulated for consultation has proposals to take away the power of appointment of Members/Chairpersons of State Electricity Regulatory Commissions from the State Governments. There is no such proposal in the draft. As per the draft circulated the appointments of Members/Chairpersons of the State Electricity Regulatory Commissions will continue to be made by the State Governments. The selection committee currently has equal number of members from the Central and State Government – one member from Central Government and one from State Government. The proposed selection committee in the draft also has equal number of members from the Central and State Governments as earlier. The only difference is that instead of the current provision in the Electricity Act of the selection committee being presided over by a Retired Judge of the High Court, it is proposed that the committee be headed by a sitting Judge of the Supreme Court and instead of multiplicity of selection committees there be one selection committee for drawing up of panels for the vacancies in the Central Electricity Regulatory Commission and State Electricity Regulatory Commissions. The appointments will continue to be made by Central Government for the Central Electricity Regulatory Commission and by the State Governments for the State Electricity Regulatory Commissions as before. The reason for this proposed amendment was that currently every state had to constitute a separate selection committee for each fresh vacancy and this took time. In some cases the time taken for appointment was upto 2 years leading to disruption of work of the Regulatory Commission. Based on the suggestions received the Central Government is now thinking of continuing with the existing separate selection committees for each state – but making it Standing Selection Committees so that there is no need for constituting it afresh every time a vacancy occurs. The selection committee will continue to have equal number of members from the State and Central Government as earlier.

P. RAVIKUMAR
Additional Chief Secretary
to Chief Minister

Contd....2

Shram Shakti Bhawan, New Delhi-110 001 Phone : +91-11-23717474, 23710411
Fax : +91-11-23710065, E-mail : raj.ksingh@gov.in

2. A misconception is also being spread that the proposed provisions for introducing the system of Direct Benefit Transfer (DBT) of subsidies will lead to disruption because if the State is not able to pay the subsidies in time, the connections of the consumers may be got disconnected. This is also baseless. As per Section 65 of the Electricity Act, 2003, the State Government is required to pay the amount of subsidy in advance to the distribution companies. This is now being proposed to be given into the account of the consumers in the Distribution Companies by DBT. It is being provided in the new Tariff Policy that the connections of the consumers shall not be disconnected even if the State Government is unable to pay the subsidy in time or even if the State Government fails to pay the subsidy for 3 to 4 months. Therefore, the consumer's interest will be duly protected. We would of course expect the State Government to pay the subsidy in advance to the DISCOM/consumers as provided for in the law. It may be noted that the Direct Benefit Transfer will be beneficial for both State Government and as well as Distribution Companies. It will be beneficial for the State Government because it will be able to ensure that the subsidy goes to the people who are actually to be benefited and it will also ensure that the State Government gets clear accounts of the amount which is being given as subsidy. It will benefit the distribution company by making sure that the subsidies are received as per the accounts. It may be noted that Government of India have implemented Direct Benefit Transfer for 419 Schemes pertaining to 56 Ministries with cumulative savings of Rs. 1.70 lac crores.

3. Another canard being spread is that currently the State Government fixes tariff for electricity and that is proposed to be taken over by the Central Government. This is a ridiculous canard. Presently, the tariff is determined by the State Electricity Regulatory Commission and <u>no change has been proposed in the present arrangement</u>.

With regards,

Yours sincerely

(R.K. Singh)

Shri B.S. Yediyurappa
Hon'ble Chief Minister of Karnataka
Government of Karnataka
Secretariat, Bangalore.

MOS (I/C) for Power and New & Renewable Energy and MOS in the Ministry of Skill Development and Entrepreneurship
Shram Shakti Bhawan, New Delhi - 110 001, Phone : +91-11-23717474, 23710411, Fax : +91-11-23710065
E-mail : raj.ksingh@gov.in